



\*\*\* All present are expected to conduct themselves in accordance with our City's Core Values \*\*\*

# OFFICIAL NOTICE AND AGENDA

of a meeting of a City Board, Commission, Department, Committee, Agency, Corporation, Quasi-Municipal Corporation, or sub-unit thereof.

Meeting of:	<b>FINANCE COMMITTEE</b>
Date/Time:	<b>Tuesday, September 23, 2014 at 5:00 PM</b>
Location:	<b>City Hall, 2nd Floor Board Room</b>
Members	Keene Winters (C), Karen Kellbach, Dave Nutting, David Oberbeck, Bill Nagle

## AGENDA ITEMS FOR CONSIDERATION/ACTION

- 1 Public Comment on matters appearing on the agenda.
- 2 Minutes of the previous meeting(s). (8/13/14)
- 4 Update on Brokaw by County Officials - Karger and Robinson
- 5 Discussion and possible action regarding the animal control budget - Groat
- 6 Discussion and possible action regarding the costs associated with an in-house kennel operation for statutory cat holds - Barnes
- 7 Discussion and possible action regarding budget modification to utility relocation on 80th Avenue - Wesolowski, Groat
- 8 Discussion and possible action regarding creating a stormwater utility (10 minutes only)- Wesolowski, Groat and Tipple
- 9 Discussion and Possible Action of the 2015 Capital Improvement Plan Budget (10 minutes only) - Groat
- 10 Discussion and possible action regarding budget modification (10 minutes only) - Stewart Avenue Median Project
- 11 Discussion and possible action regarding removing refuse and recycling from the property tax levy and levying a special charge to the property owner (10 minutes only)- Groat
- 12 Discussion and possible action regarding modifying the 400 Block Policy as it pertains to rental fees and rental fee exemptions (10 minutes only) - Duncanson and Groat
- 13 Discussion and possible action of accounting for the 400 Block expenses outside of the park budget - Duncanson and Groat
- 14 Discussion and possible action August 2014 General Fund financial report
- 15 List of Development Agreements Issued Since 1/1/2006 with a Summary of Agreement Terms and Tracking System - Werth, Tipple
- 16 Update on Back Tax Payments by Wausau Window and Walls - Groat
- 17 Consider purchase of 1006 N 1st Street - Werth
- 18 **CLOSED SESSION** pursuant to 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session: for negotiating the purchase of properties. (1006 N 1st Street) - Werth
- 19 **Reconvene into open session**, if necessary, to take action on closed session item: purchase of 1006 N 1st Street Wausau
- 20 Discussion and possible action on amendment to Parking Space Lease Agreement between City of Wausau and Murdock Wausau Limited Properties

Adjournment

Keene Winters, Chair

**This notice was posted at City Hall and emailed to the Wausau Daily Herald newsroom on 9/17/14 at 3:30 pm.**

It is possible and likely that members of, and possibly a quorum of the Council and/or members of other committees of the Common Council of the City of Wausau may be in attendance at the above-mentioned meeting to gather information. **No action will be taken by any such groups.**

Please note that, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids & services. For information or to request this service, contact the City Clerk at (715) 261-6620.

Other Distribution: Media, (Alderspersons: Wagner, Neal, Gisselman, Rasmussen, Abitz, Mielke), \*Tipple, \*Jacobson, \*Groat, Rayala, Department Heads

## **FINANCE COMMITTEE**

Date and Time: Wednesday, August 13, 2014 @ 5:00 pm., Board Room

Members Present: Winters, Nagle, Kellbach, Nutting, Oberbeck

Others Present: Tipple, Groat, Giese, Hite, Jacobson, Lenz, M. Lawrence, Mohelnitzky, Werth, Seubert, Geier, Wagner, Gisselman, Mielke, Abitz, Goede, Brian Stezinski-Williams, Kathy Foley, Deb Ryan

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner. It was noted that there was a quorum present and the meeting was called to order by Chairperson Winters.

### **Public Comment on matters appearing on the agenda.**

Deb Ryan, 702 Elm St, spoke regarding the justification of a sole source purchase for the Water Utility. She indicated she found the address for a water meter company in Milwaukee on the Internet and asked them if they were aware of the city's project. She stated she was notifying them that she felt the water department had not done their homework.

### **Minutes of the previous meeting(s). (6/25/14)**

Motion by Kellbach, second by Nutting to approve the minutes of a previous meeting. (6/25/14). Motion carried 5-0.

### **Presentation of Boys and Girls Club 6 month report - Brian Stezinski-Williams**

Brian Stezinski-Williams reviewed the summarized report in their packets. Results were very strong; survey results highlighted 93% of the members reported the club helps them do better in school studying, art, leadership, computers, jobs, careers and getting along with others. He noted they will be opening a fourth site at Franklin Elementary in September and anticipate that it will dramatically increase the services available for the kids and families of that school. It will run five days a week, two and a half hours a day, with a main emphasis on academics including after school snack, dinner. It should bump up club membership by 200 Wausau kids and put our daily participation organization wide at about 400.

Nagle commented our youth needs to be exposed to the things the Boys & Girls Club provides; he was proud of the city's financial support last year and would look for continued financial partnership going forward in the next budget. Motion by Nutting, second by Nagle to approve the report. Motion carried 5-0.

### **Discussion and possible action on selection of proposal for newsletter printing - Jacobson/Groeschel**

Anne Jacobson explained Deb Geier, Kathi Groeschel and herself reviewed the rankings which are shown in the RFP. She stated the cost for Sun Printing, which they have used in the past, is greater than Color Vision; however, this is a request for proposal not a bid so you are not required to go with the lowest cost. Winters noted Color Vision was 10% cheaper, but the committee rated them lower. Tipple pointed out Color Vision will add \$40 an hour for anything over two hours, which is not the case with Sun Printing. He recommended that if they chose Color Vision a termination clause be added to the contract relative to quality.

Motion by Nagle, second by Kellbach to approve a two year contract with Sun Printing. Motion carried 5-0.

### **Discussion and possible action on funding request and the acquisition and short term lease of 6 used buses – Seubert**

Greg Seubert, Transit Director, stated they have been scrambling over the last several weeks to identify used vehicles and there aren't many. The federal capital dollars have dried up and so most are not taking delivery of new buses and therefore used vehicles are hard to find. He stated in June when they did their annual safety inspection and due to structural corrosion they found six buses that needed to be removed from service. Cracks have developed in the frames which are hollow steel. This also requires the Federal Transit Administration and the Wisconsin DOT to sign off because it is outside of their normal practice. He explained normally the seller would have to go through a competitive process to dispose of these; however, they have both waived that requirement in light of the dire situation we are in. He noted Milwaukee County is operated by a private firm and doesn't own the vehicles and the Milwaukee County Board is on a summer hiatus, further complicating it. He indicated as of yesterday he had all of the information necessary which was contained in the resolution and lists the vehicles they would like to acquire.

He pointed out one of the big difference with these vehicles is they have a stainless steel frame which would solve the problem that we've been encountering within the last few years; the down side is they have a lot of miles on them (a half million) so the concern will be the engines and transmissions. He noted however, these are million mile engines, so there should be plenty of life in them. He reiterated the situation was dire. Groat stated because the transit is an enterprise fund, they have reserves in the fund that will pay for the buses.

Motion by Nagle, second by Oberbeck to approve the acquisition of the 6 used buses. Motion carried 5-0.

**Discussion and possible action on approval of sole source purchase of Neptune Water Meters Ecoders – Geier**

Deb Geier clarified the sole source request is for water meters only and has nothing to do with the meter reading system. She explained water meters are our source of revenue; without a meter there is no means of registering how much water is used by a resident or a business. She indicated they had ordered a number of meters in January, however, with the extreme cold of this past winter they went through a lot more meters than is typical and are still finding properties whose meters froze and need to be replaced. She commented normally an order of 200 meters would get us through the year, but this year they got us through only half the year.

Geier stated they have used Neptune meters for many years and currently use 100% Neptune. She explained they have stayed with this company is because they meet all the standards of the AWWA, which sets the standards for water utilities in North America. She commented some of these meters have been in service since 1982, which have been taken out, rebuilt and put back in the homes, saving the expense of purchasing new. The Neptune meters are very accurate for both residential and commercial properties; they are also robust and hold up well to temperature changes. They have an outstanding lifetime warranty on the body of the meters. She noted all the new meters since 2001 are lead free brass and a new law went into effect in 2014 that all plumbing has to be lead free. She indicated there are still many older meters out there that contain lead and need to be replaced.

Geier stated Neptune has territories they service and the only representative that sells Neptune meters in this territory is Ferguson Water Works out of Minnesota. She noted they have had Badger meters in the past, but they did not seem to hold up as well and if we have different types of meters we have to have different types of parts, which is not the most efficient. Neptune is 100% compatible with our current meter reading system and radio boxes. She pointed out none of the other big three of the meter vendors would be compatible.

Winters questioned if she could do an RFP specifying Neptune compatible products for this purchase instead of a sole source, which would get just the one bidder. Geier indicated she could but needed meters soon because they were down to eight and a couple boxes wouldn't get very far.

Oberbeck commented products change over the years and even manufacturers get bought out by other manufacturers. He felt evaluating products on a periodic basis would provide documentation on the justification for going with a higher price in some situations.

Motion by Nagle, second by Oberbeck to authorize the purchase of 10 boxes of Neptune meters from Ferguson and to put out an RFP for meters. Motion carried 5-0.

**Reconsideration of the referral of expanded audit scope of work to the Committee of the Whole - Winters**

Winters stated the Finance Committee is essentially the audit committee and we would make a decision on the scope of work and recommend it to the Council, but if we send it to the Committee of the Whole first, it just seems like an extra step that isn't necessary.

Motion by Nagle, second by Oberbeck to reconsider the motion to refer the expanded scope of work to the Committee of the Whole. Motion carried 5-0.

**Discussion and possible action on an expanded audit scope of work – Winters**

Winters stated we have had some issues where we have identified at least four instances that have been brought to our attention through different investigations relative to breach of control. They may be singular examples or they may be just the surface of a larger problem. He felt it was our fiduciary duty to engage a firm to do testing to determine if they are either a singular odd example or part of a larger systematic problem. They could also come

back with recommendations for best practices based on their experience with audits in lots of Wisconsin municipalities.

Jon Trautman stated there are two ways to approach a project like this; one is to go back and look at a transaction history to a certain point in time, but to look at all transactions would be extremely costly and a lot of work. He stated what they typically do in this situation is to do a sample, which will not give you ultimate assurance that there is not an issue. The other approach is more of an organizational study, in which you say what happened is done, now let's look at the internal controls that are there now, which will identify weaknesses and go forward. He felt focusing on recommendations for improvement is key to the whole process because we can only learn so much by looking at the past.

The committee reviewed and discussed the bullet points of a proposed outline of the scope of work for an expanded audit with Trautman which was prepared by Winters and was included in their packets.

Motion by Nutting, second by Kellbach to approve the expanded scope of work as presented and discussed. Motion carried 5-0.

#### **Discussion and possible action on Request for Proposals (RFP) for refuse and recycling services – Lenz**

Brad Lenz referred to the draft RFP and the staff report summarizing the main components. He indicated they've looked at keeping the contract the same the first year and then switching to an automated or carted system in the subsequent years. The length of the contract is a mid-range of six years. The third component of the contract would be to add in the annual large item service which is done in the spring. He noted typically DPW had contracted that out individually every year.

Lenz stated staff has spoken to other communities and people in the garbage and recycling industry and have some concerns about this RFP in this format going out at this time. There was discussion about the time crunch we were under last time and how long it takes haulers to gear up, especially if they are coming to a new city where they haven't been before. With this proposed change in service it is a difficult situation for new haulers to gear up in three months and amortize the costs of new trucks or retrofitted trucks. It is even more difficult for smaller haulers or others who may want to bid on the contract. Nagle suggested extending our current contract another calendar year and thereby perhaps expanding the pool of bidders. Lenz stated they could either extend the current contract for a year or bid out for a one year contract.

Groat stated research showed that communities going to the automated system are taking their landfill costs out of their contract and paying for those directly. She explained this way we will benefit from the benefits that come from recycling. She commented Lacrosse indicated they are receiving 174% increase in their recycling. She felt the city could then benefit from the landfill savings of the recycling rather than a hauler who may have under estimated those savings. She stated this is one example that she felt if they had more time to work on a fully automated system, we would be able to come up with a proposal RFP that really spoke to all of those issues. She noted two communities in the Green Bay area required their haulers to provide compressed gas vehicles, which is another example of things that could be added if we had a little more time. Oberbeck was concerned about delaying the process another year and felt we need to be proactive.

Motion by Nagle, second by Kellbach to direct staff to either negotiate adding another year on our current contract or negotiate for a new one year contract; and/or put out an RFP; and continue working on a long term solution for a six or seven year contract beginning January 1, 2016. Motion carried 4-1. (*Oberbeck was the dissenting vote.*)

#### **Consider 2015 Room Tax Budget Instructions – Groat**

Groat stated we have had some changes in our hotel inventory due to the fire at Days Inn in 2013 as well as a possible sale of The Plaza, which may not stay a hotel, but may change to an assisted living facility. She was concerned that change in the room inventory would impact our total revenues. She indicated we have the first two quarters of room tax in and we have actually seen a tiny increase, so at this time it doesn't look like it is impacting us substantially; however, she suggested we step down our estimate of \$720,000 to \$700,000 to ensure that we don't over commit our room tax funds.

Motion by Kellbach, second by Nutting to change the room tax budget to \$700,000. Motion carried 5-0.

**Discussion and possible action approving amendment to Section 3.25.030 Collection and Distribution (Room Tax) – Groat**

Groat stated early this spring a room tax committee looked at how the city was allocating room taxes and also looked at a report that was crafted by the Taxpayer's Alliance on room tax policies throughout the state. There are number of communities that collect room tax on a monthly basis rather than a quarterly basis. There is also a variation throughout the state whether the hotels are allowed to keep a portion of their room taxes that they collect. She stated the ordinance proposed reflects two changes that the committee recommended: 1) room taxes would be due monthly; and 2) hotels would be allowed to retain 1% of their collections to offset some of their administrative costs. She noted about 96% of hotel customers pay with plastic which requires a fee that comes out of their room revenues. Mayor Tipple commented the committee was rather conservative with the 1% recommendation and some other communities are giving more, but they wanted to start low and may review it again in the future.

Motion by Kellbach, second by Nutting to approve the committee's recommendations. Motion carried 5-0.

**Consider offer to purchase of 101 N. 72nd Avenue**

Werth stated at the last meeting Finance Committee approved the purchase price of \$438,800 for 36.6 acres on 72<sup>nd</sup> Avenue, which is in TID #5. She indicated we have an accepted offer contingent upon Phase I and soil borings which are taking place right now.

Motion by Nagle, second by Nutting to approve the purchase of 101 N. 72<sup>nd</sup> Avenue. Motion carried 4-1. (*Winters was the dissenting vote.*)

**Consider authorizing the execution and terms of an Airport Ground Lease to Keith Kocourek - 100'x116'**

Nagle stated the Airport Committee is overwhelming endorsing the ground lease with Mr. Kocourek.

Motion by Nagle, second by Nutting to approve the execution of an Airport Ground Lease with Keith Kocourek. Motion carried 5-0.

**Consider economic factors that influence the budget – Winters**

Winters referred to a recent editorial regarding a graduate living and finding a job in central Wisconsin, which referred to the Wausau Metropolitan Statistical Area (MSA), and which is basically defined as Marathon County. He reviewed statistical data on unemployment rates in the county and the state, as well as growth, income and tax data. He commented Wausau has had a trend where we have tended to budget more than we plan to take in revenues, subsequently losing \$2.2 million from our fund balance. He noted over the past five years departments have actually spent less than we have granted them in expenditure authority. He felt with all the challenges we have demographically and socially it compounds the problems for the budget.

**Report - 2015 Budget update - Tipple/Groat**

Mayor Tipple stated the departments are working on their budgets and have been directed to make a 1% reduction. He provided an example of a new form the departments will be using to plan their budgets that they felt would be a helpful budget narrative.

Myla Hite, HR Director, stated we will be looking at potential increases in our health insurance fringe benefits; dental is currently projecting a 3% increase and we are in the process of researching our health insurance. She indicated the possible health insurance increase range we have been given is 8.5 – 14%.

Groat stated we have received our preliminary equalized values as of August 1<sup>st</sup>. She indicated she had initially estimated \$400,000 increase in the levy, but based on the preliminary equalized value and the net new construction figures we actually are looking at \$360,096. She noted net new construction came in at 1.2% for the City of Wausau, which was slightly higher than Marathon County as a whole at .97%. She reviewed the status of the TIF districts.

**Future agenda items for consideration**

Oberbeck requested an update of where we are with the 2014 budget. Groat indicated the refuse recycling contract would be on the agenda.

**CLOSED SESSION pursuant to 19.85(1)(e) of the Wisconsin Statutes for deliberating or negotiating the purchase of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. (Negotiations with CBL)**

Motion by Nagle, second by Oberbeck to move into closed session. Roll Call Vote: Ayes: Oberbeck, Kellbach, Winters, Nutting, Nagle. Noes: 0. Motion carried 5-0.

Meeting adjourned in closed session at 6:55 pm.

**CITY OF WAUSAU  
ANIMAL CONTROL FUND**

	<u>2014 Budget</u>	<u>YTD Actual Expenditures</u>	<u>Projected To December 31</u>	<u>Budget Variance</u>
<b>REVENUES</b>				
<b>ANIMAL CONTROL LICENSING COSTS</b>				
LICENSES & PERMITS				
167 270083180	40,600	41,111	41,261	661
167 270083185	18,000	16,885	16,900	(1,100)
Cat 843	<u>58,600</u>	<u>57,996</u>	<u>58,161</u>	<u>(439)</u>
FINES & FORFEITURES				
167 270084110	27,495	8,127	13,000	(14,495)
167 270084190	6,000	3,820	4,380	(1,620)
Cat 844	<u>33,495</u>	<u>11,947</u>	<u>17,380</u>	<u>(16,115)</u>
PUBLIC CHARGES FOR SERVICES				
167 270085120		35	35	35
167 270085130	2,200	1,889	1,929	(271)
Cat 845	<u>2,200</u>	<u>1,924</u>	<u>1,964</u>	<u>(236)</u>
INTERGOVT CHARGES FOR SERVICES				
167 270087232	17,313	17,307	17,307	(6)
Cat 847	<u>17,313</u>	<u>17,307</u>	<u>17,307</u>	<u>(6)</u>
MISCELLANEOUS REVENUE				
167 270088416	25,419	25,419	25,419	-
Cat 848	<u>25,419</u>	<u>25,419</u>	<u>25,419</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<b><u>137,027</u></b>	<b><u>114,593</u></b>	<b><u>120,231</u></b>	<b><u>(16,796)</u></b>
<b>EXPENSES</b>				
<b>ANIMAL CONTROL LICENSING COSTS</b>				
CONTRACTUAL SERVICES				
167 270092190	-	75	360	(360)
167 270092945	19,210	19,561	19,632	(422)
167 270092990	22,740	21,697	21,755	985
Cat 920	<u>41,950</u>	<u>41,333</u>	<u>41,747</u>	<u>203</u>
SUPPLIES & EXPENSE				
167 270093190	2,500	1,500	1,525	975
Cat 930	<u>2,500</u>	<u>1,500</u>	<u>1,525</u>	<u>975</u>
<b>ANIMAL CONTROL PROGRAM COSTS</b>				
PERSONAL SERVICE				
167 271091110	29,263	21,389	30,389	(1,126)
167 271091111	13,438	8,665	13,438	0
167 271091220		158	250	(250)
167 271091510	3,267	2,243	3,365	(98)
167 271091520	2,048	1,563	2,127	(79)
167 271091540	21,028	15,275	19,367	1,661
167 271091550		2	8	(8)
167 271091560	770		770	(0)
Cat 910	<u>69,814</u>	<u>49,295</u>	<u>69,715</u>	<u>99</u>
CONTRACTUAL SERVICES				
167 271092000	6,500	7,091	9,891	(3,391)
167 271092171	32,400	32,400	54,400	(22,000)
167 271092189	1,225	1,440	1,440	(215)
167 271092190	125	18	25	100
Cat 920	<u>40,250</u>	<u>40,949</u>	<u>65,756</u>	<u>(25,506)</u>
SUPPLIES & EXPENSE				
167 271093460	1,500			1,500
167 271093490	4,000	4,160	6,560	(2,560)
Cat 930	<u>5,500</u>	<u>4,160</u>	<u>6,560</u>	<u>(1,060)</u>
<b>TOTAL EXPENSES</b>	<b><u>160,014</u></b>	<b><u>137,237</u></b>	<b><u>185,303</u></b>	<b><u>-25,289</u></b>
<b>PROFIT (LOSS)</b>	<b><u>(22,987)</u></b>	<b><u>(22,644)</u></b>	<b><u>(65,072)</u></b>	<b><u>(42,085)</u></b>

**RESOLUTION OF FINANCE COMMITTEE**

Adoption of Purchase of Animal Impoundment Services Agreement for the impoundment, care, treatment and/or humane disposal of non-dog strays taken into custody by law enforcement or humane officers between the Humane Society of Marathon County, Inc. and the City of Wausau, from March 31, 2014 through December 31, 2014 and related Budget Modification

Committee Action: Approved 5-0

Fiscal Impact: \$32,400 from March 31, 2014 through December 31, 2014 and \$220 per cat thereafter, with \$25,419 offset from County

File Number: 03-0717

Date Introduced: March 25, 2014

**RESOLUTION**

**WHEREAS**, your Finance Committee, at its December 10, 2013, meeting, recommended that the Mayor be authorized to execute a Letter of Intent for the provision of impound services for non-dog stray animals and animals held for cause beyond December 31, 2013, by the Humane Society of Marathon County, Inc. as more specifically provided therein; and

**WHEREAS**, effective January 1, 2014, it became necessary for the City of Wausau to assume responsibility for the impoundment of animals held for cause; and

**WHEREAS**, the Common Council of the City of Wausau, on January 14, 2014, executed an Municipality Held For Cause Services Agreement with the Humane Society of Marathon County, Inc., retroactive to January 1, 2014 through December 31, 2014, to provide for the impoundment, care, treatment and/or humane disposal of animals taken into custody by law enforcement or humane officers employed by the City and animals held for cause; and

**WHEREAS**, your Finance Committee, on March 24, 2014, recommended entering into a contract with the Humane Society of Marathon County, Inc., following their response to an RFP for the impoundment, care, treatment and/or humane disposal of non-dog stray animals from March 31, 2014 through December 31, 2014; and

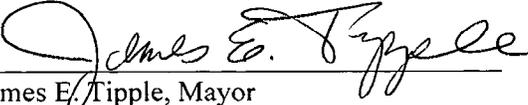
**WHEREAS**, your Finance Committee has reviewed the funding options and recommends a transfer from the Contingency Fund to cover the net costs; and

**NOW THEREFORE, BE IT RESOLVED** by the Common Council of the City of Wausau that the proper city officials are hereby authorized to execute the attached Animal Impoundment Services Agreement for a term commencing March 31, 2014 and ending December 31, 2014.

**BE IT FURTHER RESOLVED** that the Finance Director and proper City officials are hereby authorized to modify the budget of the Animal Control Fund and publish the budget modification in the official newspaper as required.

167-271092171	Animal Services	\$32,400
167-270087232	Municipal Cost Share Reimbursements	\$ 5,832
167-270088416	County Grant	\$25,419
110-33427	Contingency	\$12,813

Approved:

  
James E. Tipple, Mayor

**PURCHASE OF ANIMAL IMPOUNDMENT SERVICES AGREEMENT**

**BETWEEN  
THE HUMANE SOCIETY OF MARATHON COUNTY, INC.  
AND CITY OF WAUSAU**

Municipality Address: Mayor James E. Tipple  
City of Wausau  
407 Grant Street  
Wausau WI 54403

Humane Society: Executive Director  
7001 Packer Drive  
Wausau WI 54401

Registered Agent Attorney Andrew W. Schmidt  
For HSMC: 123 Grand Avenue  
Wausau WI 54403

THIS SERVICES AGREEMENT (the "Agreement"), is made and entered into, by and between the City of Wausau (the "MUNICIPALITY") and the Humane Society of Marathon County, Inc. ("HSMC"),

**RECITALS**

WHEREAS, MUNICIPALITY, desires to purchase services from HSMC (a not-for-profit corporation under the laws of the State of Wisconsin) for the impoundment, care, treatment and/or humane disposal of non-dog strays and the non-dog strays of the Village of Weston, Town of Weston and City of Schofield (collectively "EVEREST METRO"); and

WHEREAS, HSMC, is presently situated and capable to provide services to MUNICIPALITY for professional and ethical impoundment, animal shelter, care services, treatment and humane disposal of an animal; and

WHEREAS, at all times this Agreement shall be construed in a manner consistent with Wisconsin Statutes so as to maximize the welfare of the animals who are the subject hereof and who are cared for by HSMC and pursuant to the terms of this Agreement; and

WHEREAS, HSMC maintains a principal place of business located at 7001 Packer Drive, Wausau, Wisconsin 54401, but periodically uses third party facilities to fulfill the services provided in this Agreement; and

WHEREAS, HSMC is a not-for-profit private corporation (a private entity) entering into an Agreement with a political subdivision as defined in Wis. Stat. §173.15(1) and acknowledges its obligations under Wis. Stat. §173.15(2) in relation to this Agreement; and

WHEREAS, MUNICIPALITY and HSMC desire that this Agreement is for the impoundment, care and treatment of non-dog strays for the Term of this Agreement.

NOW THEREFORE, in consideration of the above Recitals and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by each party to this Agreement, it is agreed by the MUNICIPALITY and HSMC as follows:

### **AGREEMENT**

**1.0 TYPE AND GEOGRAPHIC SCOPE OF SERVICES.** HSMC agrees to provide the services detailed herein with respect to stray animals (EXCLUDING DOGS) in response to a request by MUNICIPALITY.

1.1 Stray Animals (EXCLUDING DOGS). HSMC will operate an impoundment facility to care for, and/or humanely dispose of non-dog strays as defined per this Agreement as well as keep accurate records thereof pursuant to the provisions of Wis. Stats. §173.15(2)(b) of all of the animals brought to HSMC under the terms of this Agreement.

1.2 Animals Held for Cause. This Agreement does not include impoundment services for animals taken into custody pursuant to §173.13, Wis. Stats., by law enforcement or humane officers of any political subdivision. Furthermore, this Agreement does not include impoundment services for animals withheld from their owner for cause by any political subdivision, pursuant to §173.21, Wis. Stats., et seq. MUNICIPALITY and HSMC agree that any such services to be performed on behalf of the MUNICIPALITY, shall be subject to a separate agreement.

1.3 HSMC will attempt to locate the owners of stray animals and if found, inform the owner of the cost of holding, care, and treatment of that owner's animal.

1.4 HSMC will obtain ownership of a stray animal if they are unclaimed within the statutory 7 days for eventual adoption or relocation. Disposition costs of an animal that was brought in as a stray shall be borne by the MUNICIPALITY pursuant to the terms of Compensation set forth herein.

1.5 This Agreement does not include impoundment services for stray dogs. Marathon County has entered into a separate one year agreement with HSMC for impoundment services for stray dogs.

1.6 The services provided herein by HSMC also include any non-dog stray brought in under MUNICIPALITY's "INTERGOVERNMENTAL HUMANE OFFICER SERVICES

AGREEMENT BETWEEN THE CITY OF WAUSAU AND EVEREST METROPOLITAN POLICE DEPARTMENT" entered into January 1, 2014.

**2.0 COMPENSATION.** MUNICIPALITY shall compensate HSMC for services detailed in this Agreement as follows: \$32,400 for the contract, \$30,000 of which shall be for the first 150 cats, to include feral cats brought into HSMC by law enforcement; for all cats brought in beyond 150, the flat fee shall be \$220 per cat. The \$2,400 represents up to 12 non-dog, non-cat strays after which each animal may cost up to \$220. The fees include any non-dog stray brought in under MUNICIPALITY's "INTERGOVERNMENTAL HUMANE OFFICER SERVICES AGREEMENT BETWEEN THE CITY OF WAUSAU AND EVEREST METROPOLITAN POLICE DEPARTMENT" entered into January 1, 2014.

2.1 The contract price of \$32,400 shall be due and paid in full on or before April 30, 2014.

2.2 HSMC will bill MUNICIPALITY for animals beyond 150 cats or 12 non-dog, non-cat strays regardless of whether Wausau Police/Humane Officer or Everest Metro Police Officer delivers the animals to HSMC.

**3.0 TERM OF AGREEMENT.**

3.1 Term. Unless otherwise agreed in writing, the initial term of this Agreement shall be from March 31, 2014 through December 31, 2014. This Agreement can only be renewed by mutual agreement of the two parties. The Agreement may also be terminated subject to termination provisions under Section 6.0.

**4.0 DEFINITIONS.** As used in this Agreement the following words shall have the meanings provided below:

4.1 Stray Non-Dog Animal: A non-dog animal whose owner or custodian is unknown or cannot be ascertained immediately with reasonable effort. A stray non-dog animal may be brought to HSMC only by the MUNICIPALITY's humane or law enforcement officers, or a humane officer or law enforcement officer of Everest Metro.

4.2 Surrender: Is any animal that has been voluntarily delivered to HSMC by its owner, handler or other person entitled to do so. Surrender animals are NOT within the scope of this Agreement.

4.3 Unclaimed: Any animal whose owner has failed to reclaim the animal within the statutory time frames under State laws.

4.4 Wild Animal: The definition of "wild animal" is to include all nature-born, non-domesticated, non-owned free animals of all and any species even if living in and

around humans or other domesticated, exotic or livestock animal. Wild animals are NOT within the scope of this Agreement. "Wild animals" does not include feral cats.

## **5.0 EXECUTION AND PERFORMANCE OF SERVICES.**

5.1 Cooperation. HSMC agrees to use reasonable methods in working with all MUNICIPAL departments, agencies, employees and officers. MUNICIPALITY agrees to use reasonable methods in working with HSMC in order to enable HSMC to perform the services described herein.

5.2 HSMC Personnel. HSMC agrees to secure, at its own expense, all personnel necessary to carry out its obligations under this Agreement. Such personnel shall not be employees of MUNICIPALITY. HSMC shall ensure that its personnel are instructed that they do not have any direct contractual relationship with MUNICIPALITY. MUNICIPALITY shall have no authority over any aspect of HSMC's personnel practices and policies and shall not be liable for actions arising from such policies and practices.

5.3 Transportation of Animals. MUNICIPALITY is NOT purchasing transportation services to or from HSMC, and HSMC shall have no obligation to pick up or transport ANY animal covered by this Agreement.

5.4 Facility Access. HSMC will provide, or assure the availability of an appropriate facility that will provide admitting stray non-dog animals 24 hours a day, 7 days a week, that are delivered by humane and/or law enforcement officers employed by the City of Wausau or Everest Metro.

5.5 Services for Animals. HSMC agrees to provide for the professional, humane and ethical impoundment, animal shelter, care services, and humane disposal of any animal within the scope of this Agreement.

5.6 Reclaiming Services. HSMC shall use reasonable attempts to identify, locate, and make contact with the animal's owner in order to arrange for either the surrender or the return of the animal. Said efforts will be made within the statutory 7 day holding period. Notwithstanding the foregoing, the parties acknowledge that the owners of some stray non-dog animals are never known or even identified such that HSMC's ability to find the owner is a legal impossibility.

5.7 Ethical and Humane Treatment. HSMC agrees it will use the best practices for care, housing, adoption or final disposition (euthanize, transfer or adoption) of all animals within the scope of this Agreement and in compliance with all federal, state and local laws.

5.8 Not an Exterminator. MUNICIPALITY agrees that HSMC does not provide services for any animal that would be best handled by a "pest" exterminator.

5.9 Disposition of Stray Non-Dog Animals. After the statutory waiting time, seven (7) days, the parties agree that HSMC will obtain exclusive possession of all strays covered by this Agreement. However, and at the HSMC's sole discretion, the HSMC may not desire to take possession of certain animals and shall have the legal right to terminate the animal and dispose of the animals remains.

5.10 Protocols. Both parties will mutually create and agree upon protocols to follow in order to accomplish the efficient execution of this Agreement with a minimum of confusion or disagreement.

5.11 Records. HSMC agrees to keep statistical records of all animals, including origin (jurisdiction), admittance, disposition, care, treatment, redemption records and those additional records as may be required under Wis. Stats. §173.15(2)(b). Such records shall be made available to MUNICIPALITY. Such records will be available for review, copying or inspection at HSMC by appointment with Executive Director or designee.

## **6.0 TERMINATION OF AGREEMENT.**

6.1 Termination: . Neither party may terminate this Agreement, for any reason during the term of the contract.

## **7.0 INSURANCE AND INDEMNIFICATION.**

7.1 Insurance. In order to protect itself, MUNICIPALITY and EVEREST METRO, its officers, boards commissions, agencies, employees and representatives under the indemnity provisions of this Agreement, HSMC shall obtain and at all times during the term of this Agreement keep in full force and effect comprehensive general liability insurance policies (as well as professional malpractice or errors and omissions coverage, if the services being provided are professional services) issued by a company or companies authorized to do business in the State of Wisconsin and licensed by the Wisconsin Insurance Department, with liability coverage provided for therein in the amounts of at least:

- Commercial General Liability - \$1,000,000.00 combined single limit.
- Workers Compensation Insurance as required by Wisconsin Statutes of all employees engaged in work.

7.2 Indemnification.

A. Immunity. The MUNICIPALITY and EVEREST METRO are governmental entities entitled to governmental immunity under law, including Wis. Stat. §893.80. Nothing contained herein shall waive the rights and defenses to which the MUNICIPALITY AND EVEREST METRO may be entitled under law, including all of the immunities, limitations, and defenses under Wis. Stats. §893.80 or any subsequent amendments thereof.

B. Responsible for Own Actions. HSMC, MUNICIPALITY AND EVEREST METRO shall bear the risk of its own actions, as it does with its day-to-day operations.

C. Employee Claims. The employees of the parties hereto shall be covered by his or her employing entity for purposes of worker's compensation, under Ch. 102, Wisconsin Statutes, unemployment insurance, and benefits under Ch. 40 Wisconsin Statutes. Both parties waive subrogation rights each may have against the other party for claim payments under Ch. 102, Wisconsin Statutes.

D. HSMC shall indemnify, hold harmless and defend MUNICIPALITY and EVEREST METRO, its boards, commissions, agencies, officers, employees and representatives against any and all liability, loss (including, but not limited to, property damage, bodily injury and loss of life), damages, costs or expenses which MUNICIPALITY and EVEREST METRO, its officers, employees, agencies boards, commissions and representatives may sustain, incur or be required to pay by reason of HSMC furnishing the services or goods required to be provided under this Agreement, provided, however, that the provisions of this paragraph shall not apply to liabilities, losses, charges, costs, or expenses caused by or resulting from the willful or intentional acts or omissions of MUNICIPALITY and EVEREST METRO, its agencies, boards, commissions, officers, employees or representatives. The obligations of HSMC and MUNICIPALITY and EVEREST METRO under this paragraph shall survive the expiration or termination of this agreement.

**8.0 NOTICE TO PUBLIC AND PRIVATE ON NONAFFILIATION.** HSMC may employ at various times outside contractors or promoters to assist it with all types and levels of products or services. HSMC agrees that it shall inform all outside contractors, promoters, and the public that the HSMC is not a legal entity, agency or subdivision of MUNICIPALITY.

**9.0 NOTICES.**

9.1 Notices to the MUNICIPALITY. Except as more specifically provided by the terms of this Agreement, notice to the MUNICIPALITY shall be delivered via first class mail as follows:

Mayor James E. Tipple  
City of Wausau  
407 Grant Street  
Wausau WI 54403

Toni Rayala  
City Clerk  
407 Grant Street  
Wausau WI 54403

9.2 Notices to HSMC. Except as more specifically provided by the terms of this Agreement, notice to HSMC shall be delivered via first class mail as follows:

Mary Kirlin  
Executive Director  
Humane Society of Marathon Co.  
7001 Packer Drive  
Wausau WI 54401

Linda Berna-Karger  
President of the Board of Directors  
Humane Society of Marathon Co.  
7001 Packer Drive  
Wausau WI 54401

## **10.0 MISCELLANEOUS.**

10.1 Integrated Agreement. This Agreement together with any all instruments, exhibits, schedules or addenda attached hereto sets forth the complete understanding of the parties relating to the matters which are the subject hereof and supersede any and all prior or contemporaneous written or oral agreements, understandings and representations relating thereto.

10.2 Modifications. This Agreement may only be modified in writing signed by the parties or any officers of such parties with authority to bind the party. No oral statements, representations, or course of conduct inconsistent with the provisions of this Agreement shall be effective or binding on any party regardless of any reliance thereon by the other.

10.3 Choice of Law and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of Wisconsin. In the event of any disagreement or controversy between the parties over this Agreement, the parties agree that the sole and exclusive venue for any legal proceedings related to it shall be in the Marathon County Circuit Court, State of Wisconsin.

### **10.4 Construction.**

10.4.1 Construction Against the Drafter. Provisions for which ambiguity is found shall not be construed against any party by virtue of that party having drafted or prepared the same.

10.4.2 Captions. Captions or any section or paragraph of this Agreement are for the convenience of reference only and shall not define or limit the scope of any provisions contained therein.

10.4.3 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner so as to be effective and valid under applicable law. However, if any provision is prohibited by or found to be invalid or unenforceable under applicable law or for any other reason or under particular circumstances the same shall not affect the validity or enforceability of such provision under any other circumstances or of the remaining provisions of the Agreement. Such provision shall be deemed automatically amended with the least

changes necessary so as to be valid and enforceable and consistent with the intent of such provision as originally stated.

10.4.4 Tense. Use of the singular number shall include the plural and one gender shall include all others.

**11.0 ASSIGNMENT.** No party shall assign nor transfer any interest or obligation under this Agreement without the prior written consent of the other.

**12.0 THIRD-PARTY BENEFICIARIES.** Except as set forth herein above with respect to EVEREST METRO, this Agreement is intended to be an Agreement solely between the parties hereto and for their benefit only. No part of this Agreement shall be construed to add to, supplement, amend, abridge or appeal existing duties, rights, benefits or privileges of any third-party or parties, including, without limitation, employees of either party and any other municipality located within the geographic limits of the County.

**13.0 EXECUTION IN COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement.

**14.0 REPRESENTATION OF COMPREHENSION OF DOCUMENT.** In entering into this Agreement, the parties represent that they have relied upon the advice of their attorneys, who are the attorneys of their choice, concerning the legal consequences of this Agreement. They further agree that the terms of this Agreement have been completely read and explained to them and they are fully understood and voluntarily accepted.

**15.0 WARRANTY OF CAPACITY TO EXECUTE.**

15.1 I, James E. Tipple, in my capacity as MUNICIPALTY Mayor, and acting as the MUNICIPALITY Contract Administrator for the City of Wausau, and I, Toni Rayala, warrant that we have the legal authority to execute this Agreement on behalf of the City of Wausau and to receive the consideration specified in it, and that neither we nor the City of Wausau sold, assigned, transferred, conveyed or otherwise disposed of any rights subject to this Agreement.

15.2 I, Mary Kirlin, Executive Director, Humane Society of Marathon County, Inc., and I, Linda Berna-Karger, President of the Board of Directors of HSMC warrant that we have the legal authority to execute this Agreement of behalf of the HSMC and that neither they nor HSMC have sold, assigned, transferred, conveyed or otherwise disposed of any rights subject to this Agreement.

**FOR HUMANE SOCIETY OF MARATHON COUNTY, INC.:**

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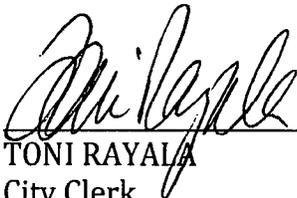
MARY KIRLIN Date  
Executive Director, HSMC

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LINDA BERNA-KARGER Date  
President Board of Directors, HSMC

**FOR MUNICIPALITY:**

 3/26/14  
\_\_\_\_\_  
JAMES E. TIPPLE Date  
Mayor, MUNICIPALITY Contract Administrator

 3/26/14  
\_\_\_\_\_  
TONI RAYALA Date  
City Clerk

This Agreement drafted by  
Anne L. Jacobson  
City of Wausau

OFFICIAL PROCEEDINGS OF THE WAUSAU COMMON COUNCIL  
held on Tuesday, March 25, 2014, at 7:00 pm in the Council Chambers at City Hall. Mayor Tipple  
presiding.

Item # 031433

03-0717-HSMC

03/25/2014 7:24:07 PM

Motion by Brezinski, second by Winters to adopt a Resolution of the Finance Committee adopting contract for non-dog strays with Humane Society of Marathon County April 1, 2014 through December 31, 2014 and related budget modification.

Yes Votes: 11

No Votes: 0

Abstain: 0

Not Voting: 0

Result: PASS

<u>District</u>	<u>Aldersperson</u>	<u>Vote</u>
1	Nagle, William P.	YES
2	Wagner, Romey	YES
3	Nutting, David	YES
4	Brezinski, Jim	YES
5	Gisselman, Gary	YES
6	Winters, Keene	YES
7	Rasmussen, Lisa	YES
8	Kellbach, Karen	YES
9	Oberbeck, David	YES
10	Abitz, Sherry	YES
11	Mielke, Robert	YES



Wausau Police Department

James E. Tipple  
Mayor

Jeffrey G. Hardel  
Chief of Police

09/16/14

Staff Report to Wausau City Council Finance Committee

Subject: Feral and Stray Cat Control

Current Status:

The City of Wausau contracted with the Humane Society of Marathon County (HSMC) for the sheltering and disposal of stray and feral cats for the year 2014. This contract did not take effect until April 1<sup>st</sup>, 2014. In summary, the contract allowed the City of Wausau/Everest Metro to take 150 cats to the Humane Society at a cost of \$30,000. This equates to \$200 per cat. Every cat over the 150, is billed to the City of Wausau at the rate of \$220 per cat. We have currently taken approximately 160 to 170 cats to the Humane Society under this contract, with three and a half months left in this year.

If the City of Wausau wishes to handle the stray and feral cat problem in a similar manner in the year 2015, contract negotiations with the Humane Society of Marathon County should begin soon. It is unclear if possible action regarding TNR would impact negotiations.

Alternatives to Contracting with HSMC:

The City of Wausau could shelter and dispose of stray and feral cats. A plan of this nature would require the City to establish a location to house the kennels and cats. Once the City had purchased the required equipment (see below), any cat brought impounded by Police Officers or the Humane Officer, would follow a procedure similar to the following –

- Cat is impounded
- Images of the cat and circumstances for the impounding would be posted online (possibly Facebook)
- Cat would remain in impound for the statutory minimum number of (7)days
- On the 8<sup>th</sup> day, the cat(s) would be made available to rescue groups, adoption groups, and pet stores.
- On the 9<sup>th</sup> day, the cat(s) would be euthanized.

The expenses of operating a shelter/disposal cat program are estimated as follows –

- Purchase professional kennels/cages (30 @ \$375) = \$11,250 (One time cost)
- Stainless Steel table = \$3000 (One time cost)



Wausau Police Department

James E. Tipple  
Mayor

Jeffrey G. Hardel  
Chief of Police

- Food, cleaning supplies, cat litter, etc. = \$8,000 to \$10,000 annually (Estimate)
- Euthanasia (250 cats @ \$30) = \$7500
- Cremation (250 @ \$20) = \$5,000

The care of the impounded cats would be the responsibility of the Humane Officer with the assistance of Community Service Officers.

The City of Wausau could bill the Everest Metro jurisdiction for cats impounded from their areas as a cost significantly lower than is currently spent.



**TO:** FINANCE COMMITTEE MEMBERS

**FROM:** MARYANNE GROAT

**DATE:** SEPTEMBER 16, 2014

**SUBJECT:** BUDGET MODIFICATION 80<sup>TH</sup> AVENUE - UTILITIES RELOCATION

The CISM Committee approved the relocation of utilities for the extension of 80<sup>th</sup> avenue as disclosed on the attached report. The estimated cost of this work is \$104,689.10 and would be funded by Tax Increment District Number Ten.

The attached cash flow projection presents the impact to the district without additional growth.

**AGENDA ITEM**

Discussion and possible action on costs associated with the relocation of utilities for the extension of 80<sup>th</sup> Avenue.

**BACKGROUND**

80<sup>th</sup> Avenue is being extended south of Stewart Avenue East to 77<sup>th</sup> Avenue. See the attached map. This project is to facilitate the expansion of Wausau Coated. After the roadway is built, 77<sup>th</sup> Avenue will be vacated. With the expansion of the Wausau Coated buildings across 77<sup>th</sup> Avenue and the vacation of 77<sup>th</sup> Avenue, it will be necessary to relocate utilities to the Wisconsin Lift Truck building located at the end of 77<sup>th</sup> Avenue. The utilities are seeking compensation to move the utilities to the new roadway.

**FISCAL IMPACT**

The utility companies have given to following costs to relocate the utilities:

WPS Electric:	\$60,539.49
WPS Gas:	\$13,425.61
Frontier:	\$30,724.00
Charter:	No Charge
Sum Total:	\$104,689.10

**STAFF RECOMMENDATION**

Staff recommends moving ahead with the contracts with the utilities to relocate to 80<sup>th</sup> Avenue.

Staff contact: Allen Wesolowski 715-261-6762

**CITY OF WAUSAU**  
**TAX INCREMENTAL DISTRICT NUMBER TEN**  
**CASH FLOW PROJECTION**  
**EXISTING OBLIGATIONS**

Year	USES OF FUNDS					SOURCES OF FUNDS			Annual Surplus (Deficit)	Cumulative Balance
	LINETEC Debt Service	**2014B Street Debt Service	Administrative, Costs	Developer Grant	Capital Expenditures	Debt Proceeds	Existing Increment	Linetec Project Tax Increment		
2014			\$1,500	\$1,200,000	\$404,620 *	\$1,510,000			(\$96,120)	(\$96,120)
2015		\$5,541	\$1,200				\$14,265		\$7,524	(\$88,596)
2016	102,500	7,233	\$1,000		310,000 #		\$14,265	40,000	(\$366,468)	(455,064)
2017	102,500	27,153	\$1,000				\$14,265	90,000	(\$26,388)	(481,452)
2018	102,500	26,963	\$1,000				\$14,265	90,000	(\$26,198)	(507,650)
2019	102,500	26,708	\$1,000				\$14,265	90,000	(\$25,943)	(533,593)
2020	102,500	26,388	\$1,000				\$14,265	90,000	(\$25,623)	(559,216)
2021	102,500	30,950	\$1,000				\$14,265	90,000	(\$30,185)	(589,401)
2022	102,500	30,406	\$1,000				\$14,265	90,000	(\$29,641)	(619,042)
2023	102,500	29,825	\$1,000				\$14,265	90,000	(\$29,060)	(648,102)
2024	102,500	29,200	\$1,000				\$14,265	90,000	(\$28,435)	(676,537)
2025	102,500	28,519	\$1,000				\$14,265	90,000	(\$27,754)	(704,291)
2026	102,500	27,806	\$1,000				\$14,265	90,000	(\$27,041)	(731,332)
2027	102,500	27,063	\$1,000				\$14,265	90,000	(\$26,298)	(757,630)
2028	102,500	26,288	\$1,000				\$14,265	90,000	(\$25,523)	(783,153)
2029	102,500	30,450	\$1,000				\$14,265	90,000	(\$29,685)	(812,838)
2030	102,500		\$1,000				\$14,265	90,000	\$765	(812,073)
2031			\$1,000				\$14,265	90,000	\$103,265	(708,808)
2032			\$1,000				\$14,265	90,000	\$103,265	(605,543)
2033			\$1,000				\$14,265	90,000	\$103,265	(502,278)
<b>TOTAL</b>	<b>\$1,537,500</b>	<b>\$380,493</b>	<b>\$20,700</b>	<b>\$1,200,000</b>	<b>\$714,620</b>	<b>\$1,510,000</b>	<b>\$271,035</b>	<b>\$1,570,000</b>		

\*80th Avenue Street Project                   \$299,931  
Utility Relocation                                 \$104,689  
Total   \$404,620

# Walkway Project

**RESOLUTION OF THE FINANCE COMMITTEE**

Approving 2014 Budget Modification 80<sup>th</sup> Avenue Utility Relocation Project

Committee Action: Approved

Fiscal Impact: \$104,689

**File Number:** 13-1109

**Date Introduced:** October 14, 2014

**RESOLUTION**

**WHEREAS**, The 2014 budget for Tax Increment District Number Ten provided for the vacation of 77<sup>th</sup> Avenue and realignment of 80<sup>th</sup> Avenue, and

**WHEREAS**, this project has been bid and work is under way, and

**WHEREAS**, the CISM committee has considered and recommends the relocation of utilities within this project area for a total cost of \$104,689.10, and

**WHEREAS**, the Finance Committee has considered and recommends a budget modification to fund these costs from Tax Increment District Number Ten; and

**WHEREAS**, these expenditures will be funded by advances from the general fund on a temporary basis;

**NOW THEREFORE BE IT RESOLVED**, by the Common Council of the City of Wausau that the proper City Officials be and are hereby authorized and directed to modify and increase the 2014 budget as follows:

Increase 80<sup>TH</sup> Avenue Realignment and 77<sup>th</sup> Avenue Vacation 148-351198230..... \$104,689

**BE IT FURTHER RESOLVED** this budget modification be published in the official newspaper as required.

Approved:

---

James E. Tipple, Mayor



**TO:** FINANCE COMMITTEE MEMBERS

**FROM:** MARYANNE GROAT

**DATE:** SEPTEMBER 15, 2014

**SUBJECT:** STORMWATER UTILITY

Aldersperson Oberbeck asked that the creation of a stormwater utility be placed on the finance committee agenda for consideration.

The City was very close to implementing a stormwater utility in September of 2005 as documented by the attached resolution. The City had retained Earth Tech to study and develop information needed to implement the utility. The final report is attached along with a summary of the study prepared by then Director of Public Works, Joe Gehin. The summary provides an excellent overview of the stormwater budget, the revenue sources by land use, proposed rates and the impact to a variety of properties located within the city. Stormwater utilities continue to grow in use as documented by the attached schedule of Wisconsin stormwater systems. A number of communities in the area have stormwater utilities and are not included on the list such as City of Stevens Point, City of Antigo, and City of Rhinelander,

Implementation planning continued until the city received a direct legislation referendum petition in 2006. On October 24, 2006, in response to the petition, the common council voluntarily adopted an ordinance that requires the City hold a city-wide referendum requesting citizen authorization prior to instituting a fee for any municipal service. Wisconsin State Statute 9.20 (attached) governs direct legislation. It appears that the City was required to maintain this ordinance intact for a two year period but is now eligible to repeal or amend the ordinance without a vote by the electors. This requires confirmation by the City Attorney.

In addition to repealing ordinance 3.010.010 Referendum, the city would need to update data needed to establish a budget and fee structure and develop rules on the credit policy and appeal process, conduct citizen education, adopt an ordinance creating the utility, prepare the billing system and customer database. It will likely take eight months of preparation work to implement the utility.

Other State imposed mandates will impact the development of a stormwater utility. One significant mandate is the State of Wisconsin Levy Limit Law. This law requires the city reduce the general property tax levy by the revenue expected to be generated by the new fee. In subsequent years the levy would need to be further reduced if and when the stormwater fee rate structure was increased. Revenue growth from property development would not result in further reductions of the levy. The City could consider a referendum in the fall of 2015 requesting the city implement a stormwater utility without the corresponding reduction in the levy. The City of Middleton is in the process of requesting this from their voters. Other stormwater mandates such as the reduction of phosphorus or

reenactment of the NR216 rules will have an impact on the stormwater utility budget. New stormwater efforts such as the phosphorous reduction efforts may be able to be included in the stormwater rate structure and budget without a reduction in the levy since they were never levy funded in the past. This would require further investigation.

Based upon an annual stormwater budget of \$1,644,200 the projected decrease in the tax rate is \$.60 per \$1,000 of assessed valuation.

There are a number of benefits for establishing a stormwater utility including:

- Provides a long term funding strategy for operations and capital
- Equitably matches a fee structure to properties generating the costs
- Implements a charge for tax exempt organizations currently enjoying the services free of charge
- Shifts some fee burden from homeowners to non-residential customers

Possible disadvantages:

- Fee not deductible to homeowners
- Administrative task of billing and collection

\*\*\*

Attachments include:

- Ordinance 61-5312, resolution 06-1016 Direct Legislation Petition Pursuant to s9.20 Wis.Stats.
- Wausau Municipal Code Chapter 3.10 Fees for Municipal Services
- Wisconsin Statutes 9.20 Direct Legislation
- Wisconsin Stormwater Community Listing
- Resolution 03-0314 dated September 13, 2005 Wausau City Council Approving the Creation of a Stormwater Utility
- Memo to CISM and Finance Committee from Joe Gehin dated 7/26/2005 regarding stormwater utility implementation
- Stormwater Utility Study prepared by Earth Tech Inc for the City of Wausau dated July 2005
- Stormwater Utility Study update from Earth Tech
- Levy limit fact sheet produced by the State of Wisconsin
- City of Middleton Stormwater Utility Fact Sheet regarding their fall referendum question.

**ORDINANCE**

Direct Legislation Petition Pursuant to s. 9.20, Wis. Stats.

Committee Action:

Ordinance Number: 61-5312

Fiscal Impact:

File Number: 06-1016

Date Introduced: October 24, 2006

The Common Council of the City of Wausau do ordain as follows:

Section 1. The City of Wausau shall hold a city-wide referendum requesting citizen authorization to institute a fee for any municipal service. This includes, but is not limited to, the following services; police protection, garbage pickup, fire protection, road repair, snowplowing, recycling, yard waste disposal, street sweeping, fall leaf collection, spring clean-up, and storm water management among others. The only allowable exception is a fee that affects 10% or less of the city's residents.

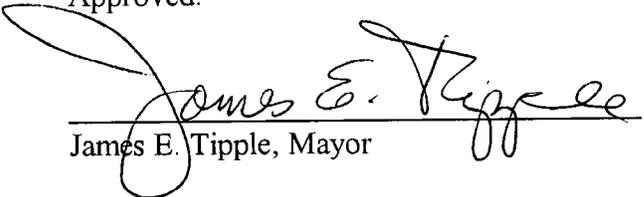
Section 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 3. If any provision of this ordinance is held to be invalid or unconstitutional or if the application of any provision of this chapter to any person or circumstance is held to be invalid or unconstitutional, such holding shall not affect the other provisions or applications of this ordinance which can be given effect without the invalid or unconstitutional provision or application.

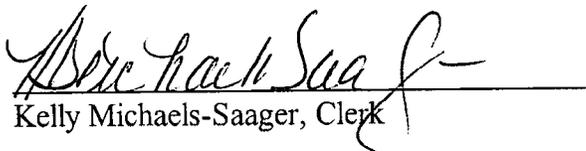
Section 4. This ordinance shall be in full force and effect from and after its date of publication.

Adopted: 10/24/06  
Approved: 10/25/06  
Published: 10/27/06  
Attest: 10/25/06

Approved:

  
James E. Tipple, Mayor

Attest:

  
Kelly Michaels-Saager, Clerk

Chapter 3.10

FEES FOR MUNICIPAL SERVICES

Sections:

3.10.010 Referendum.

3.10.010 Referendum. The City of Wausau shall hold a city-wide referendum requesting citizen authorization to institute a fee for any municipal service. This includes, but is not limited to, the following services; police protection, garbage pickup, fire protection, road repair, snowplowing, recycling, yard waste disposal, street sweeping, fall leaf collection, spring clean-up, and storm water management among others. The only allowable exception is a fee that affects 10% or less of the city's residents. (Ord. 61-5312 §1, 2006, File No. 06-1016.)

Chapter 3.10

FEES FOR MUNICIPAL SERVICES

Sections:

3.10.010 Referendum.

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## WI Stormwater User Charge System Information

### Representative Wisconsin Communities

*Stormwater user charge information changes often! Contact individual communities to confirm accuracy.*



June 24, 2014

	Name of Community or Stormwater District	Population	Created	ERU Size (sf)	Annual \$/ERU or 1 fam home	Credit Policy?		Comments/ Web site addresses
						Y/ N	Max Amount	
1	Allouez (Village)	15,443	2006	3,330	\$ 84.00			www.villageofallouez.com
2	Appleton (City)	73,243	1995	2,368	\$ 155.00	Y	77%	www.appleton.org
3	Ashwaubenon (Village)	16,973	2012	3,316	\$ 50.00	Y	50%	www.Ashwaubenon.com
4	Baraboo (City)	11,952	2005	2,379	\$ 49.24	N		www.cityofbaraboo.com
5	Barron (City)	3,250	2005	10,850	\$ 24.00	Y	75%	www.barronwi.us
6	Beaver Dam (City)	14,983	2008	2,637	\$ 48.61	Y	33%	www.cityofbeaverdam.com
7	Bellevue (Village)	14,386	2002	3,221	\$ 48.00	Y	100%	www.bellevue-wi.com
8	Beloit (City)	36,913	2006	3,347	\$ 36.00			beloit.govoffice3.com/
9	Brown Deer (Village)	11,895	2004	3,257	\$ 91.80	N		www.brownderwi.org
10	Butler (Village)	1,885	1999	3,032	\$ 66.00			www.butlerwi.gov/
11	Chetek (City)	2,180	2005		\$ 27.00	Y		www.chetek.net
12	Chippewa Falls (City)	13,374	2005		\$ 36.00			www.ci.chippewa-falls.wi.us
13	Cudahy (City)	18,430	2001	2,700	\$ 60.00	Y	\$2/ ERU	www.ci.cudahy.wi.us
14	De Forest (Village)	7,400	2005	2,900	\$ 60.00			www.vi.deforest.wi.us/
15	Delafield (City)	7,820	2004	1,000	\$ 29.00			www.cityofdelafield.com/
16	De Pere (City)	24,060	2003		\$ 62.00			www.de-pere.org/
17	Eau Claire (City)	66,623	1997	3,000	\$ 83.00	Y	100%	www.ci.eau-claire.wi.us
18	Elm Grove (Village)	6,250	2004	6,235	\$ 65.50			www.elmgrovetwi.org
19	Fitchburg (City) - Urban	25,260	2002	3,700	\$ 78.00	Y	50%	www.fitchburgwi.gov
20	Fitchburg (City) - Rural	4,000	2002	3,700	\$ 38.84	Y	50%	www.fitchburgwi.gov
21	Fox Point (Village)	6,816	2009	2,988	\$ 126.72			http://www.vil.fox-point.wi.us/
22	Fort Atkinson (City)	12,407	2009	3,096	\$ 33.84			http://www.fortatkinsonwi.net/
23	Garner's Creek (watershed)		1998	3,623	\$ 96.00	Y	85%	http://www.garnerscreekutility.org/
24	Glendale (City)	13,400	1996	3,200	\$ 42.00	N	‡	www.glendale-wi.org
25	Grand Chute (Town)	21,288	1997	3,283	\$ 99.84	Y	85%	www.grandchute.net
26	Grantsburg (Village)	1,397	2004		\$ 18.00	Y	75%	www.grantsburgwi.com
27	Green Bay (City)	105,809	2004	3,000	\$ 63.76	Y	67%	www.ci.green-bay.wi.us
28	Greendale (Village)	14,410	2004	3,941	\$ 78.00	Y	50%	www.greendale.org
29	Greenfield (City)	35,476	2009	3,630	\$ 49.80			http://www.ci.greenfield.wi.us/
30	Greenville (Town)	10,602	1999	4,510	\$ 65.00	Y	85%	www.townofgreenville.com
31	Hales Corners (Village)	7,665	2008	3,952	\$ 9.00			http://www.halescorners.org/
32	Harrison (Town of)	5,800	1998		\$ 96.00			www.townofharrison.org
33	Hobart (Village of)	5,834	2007	4,000	\$ 72.00	Y	50%	www.hobart-wi.org/
34	Holmen (Village of)	7,176	2007	3,550	\$ 44.00	Y	50%	www.holmenwi.com
35	Howard (Village)	15,774	2005	3,301	\$ 44.00			www.villageofhoward.com
36	Janesville (City)	63,479	2003	3,200	\$ 39.76	Y	65%	www.ci.janesville.wi.us
37	Kaukauna (City)	15,519	2009	2,944	\$ 66.00	Y	50%	www.cityofkaukauna.com
38	Kenosha (City)	99,738	2007	2,477	\$ 60.00	Y		www.kenosha.org
39	La Crosse (City)	51,647	2012	2,841	\$ 53.90	Y	80%	www.cityoflacrosse.org
40	Lake Delton (Village)	2,975	1993	1,685	\$ 18.00	Y	100%	www.lakedelton.org
41	Lancaster (City)	4,033	2008	2,400	\$ 24.00	Y		www.lancasterwisconsin.com
42	Lisbon (Town)	9,359	2007	6,642	\$ 40.00	Y	50%	www.townoflisbonwi.com
43	Little Chute (Village)	10,830	1998	2,752	\$ 96.00	N		www.littlechutewi.org
44	Madison (City)	236,901	2001	Lot Area	\$ 55.00	Y	50%	www.cityofmadison.com
45	McFarland (Village)	6,416	2007	3,456	\$ 46.85			www.mcfarland.wi.us
46	Menomine (City of)	15,318	2008	3,000	\$ 36.00	Y	20%	www.menomonie-wi.gov/
47	Milton (City of)	5,667	2009		\$ 55.13			http://www.ci.milton.wi.us/
48	Milwaukee (City)	597,867	2006	1,610	\$ 64.52	Y	60%	http://city.milwaukee.gov/mpw
49	Monona (City)	8,000	2004	NA *	\$ 60.00	Y	65%	www.monona.wi.us



## WI Stormwater User Charge System Information

### Representative Wisconsin Communities

*Stormwater user charge information changes often! Contact individual communities to confirm accuracy.*



June 24, 2014

	Name of Community or Stormwater District	Population	Created	ERU Size (sf)	Annual \$/ERU or 1 fam home	Credit Policy?		Comments/ Web site addresses
						Y/ N	Max Amount	
50	Monroe (City)	10,600	2006	2,728	\$ 60.00			www.cityofmonroe.org
51	Neenah (City)	24,600	2003	3,138	\$ 84.00	Y	66%	www.ci.neenah.wi.us
52	New Berlin (City)	39,669	2001	4,000	\$ 60.00	N		www.newberlin.org
53	New Richmond (City)	7,726	2004	12,632	\$ 28.68	Y	75%	www.ci.new-richmond.wi.us
54	N. Fond du Lac (Village)	4,557	2007	3,123	\$ 56.00	Y		www.nfdl.org
55	Oak Creek (City)	28,456	2003	3,300	\$ 27.50			http://www.oakcreekwi.org/
56	Onalaska (City)	17,900	2009	3,888	\$ 59.64	Y	40%	www.cityofonalaska.com
57	Onalaska (Town)	5,600	2005	3,709	\$ 24.00			www.co.la-crosse.wi.us/townofonalaska
58	Oshkosh (City)	66,344	2003	2,817	\$ 107.68	Y	75%	www.ci.oshkosh.wi.us
59	Pewaukee (City)	11,783	2010	5,339	\$ 120.00	Y		www.cityofpewaukee.us
60	Pleasant Prairie (Village)	18,000	2006		\$ 15.00			www.pleasantprairieonline.com/
61	Poynette (Village)	2,563	2006	3,550	\$ 50.00			www.poynette-wi.gov/
62	Racine (City)	78,853	2004	2,844	\$ 72.30	Y	40%	www.cityofracine.org
63	Raymond (Town)	3,516	2008	\$0.0036/sf imp area		N		www.raymondtownof.com
64	Reedsburg (City of)	8,594	2008	3,024	\$ 46.00	Y	50%	www.reedsburgwi.gov
65	River Falls (City)	14,889	1998	NA *	\$ 37.68	Y	100%	www.rfcity.org
66	Rochester (Village)	3,682	2011	4,500	\$ 73.00	Y	50%	http://rochsterwi.us.index.asp
67	Salem (Town)	9,871	2009	6,352	\$ 60.00	Y	50%	www.townofsalem.net
68	Sheboygan (City)	50,792	2001	2,215	\$ 36.00	Y		www.ci.sheboygan.wi.us
69	Shorewood Hills (Village)	1,732	2007	2,941				www.shorewood-hills.org
70	Slinger (Village)	3,901	2007	4,300	\$ 40.00	Y		www.slinger-wi-usa.org/
71	St. Francis (Village)	9,373	2001	2,500	\$ 48.00			www.ci.stfrancis.wi.gov/
72	Sun Prairie (City)	24,464	2003	3,468	\$ 72.00	Y	65%	www.cityofsunprairie.com/
73	Superior (City)	27,370	2007	1,907	\$ 70.80	Y	TBD	www.ci.superior.wi.us/
74	Sussex (Village)	9,687	2005		\$ 60.00			www.village.sussex.wi.us/
75	Union Grove (Village)	4,884	2009	4,000	\$ 86.83	Y	50%	www.uniongrove.net
76	Vernon (Town)	7,455	2008	6,904	\$ 32.00	Y	50%	www.townofvernon.org/
77	Verona (City)	7,052	2009	2,842	\$ 53.06			http://www.ci.verona.wi.us/
78	Washburn (City)	2,300	2005		\$ 48.00			www.cityofwashburn.org/
79	Watertown (City)	23,163	2005	2,900	\$ 76.00			www.cityofwatertown.org/
80	Waupun (City)	10,720	2005	3,204	\$ 96.00			www.cityofwaupun.org/
81	Wauwatosa (City)	46,629	1999	2,174	\$ 67.28	Y	100%	www.wauwatosa.net/
82	West Allis (City)	60,300	1997	1,827	\$ 77.16	Y	56%	www.ci.west-allis.wi.us/
83	West Milwaukee (Village)	4,142	1998	1,956	\$ 36.00	Y	50%	www.westmilwaukee.org/
84	Weston (Village)	12,736	2004	3,338	\$ 47.78	Y	68%	www.westonwisconsin.org/

*Information presented here is dependent on your input! Please send updates to [jmmazanec@gmail.com](mailto:jmmazanec@gmail.com)*

**Reverse numbers** indicate entries updated or confirmed within 365 days of the date of this publication.

CITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403

**JOINT RESOLUTION OF THE FINANCE COMMITTEE AND  
CAPITAL IMPROVEMENTS & STREET MAINTENANCE COMMITTEE**

Approving Creation of a Stormwater Utility

Committee Action: Finance: Approved 5-0  
CISM: Approved 5-0

Fiscal Impact: None at this time. A future determination will be made on what portion of stormwater management costs will be funded by utility fees.

File Number: 03-0314

Date Introduced: September 13, 2005

**WHEREAS**, in order to effectively manage stormwater and other surface water discharges, the City of Wausau operates and maintains a stormwater management system made up of natural and man-made facilities, provides other services to manage the quantity and quality of stormwater and other surface water discharges in the City, and maintains compliance with all regulatory requirements for stormwater; and

**WHEREAS**, in 2004 the City of Wausau was awarded an Urban Nonpoint Source and Stormwater Management Planning Grant from the Wisconsin Department of Natural Resources for stormwater planning and utility development investigations; and

**WHEREAS**, the consulting firm of Earth Tech, Inc. was retained by the City to accomplish a stormwater utility study, and a Stormwater Utility Task Force, consisting of representatives of the Common Council, staff, developers, businesses, schools and non-profit organizations, was created to investigate and study the feasibility of creating a stormwater utility; and

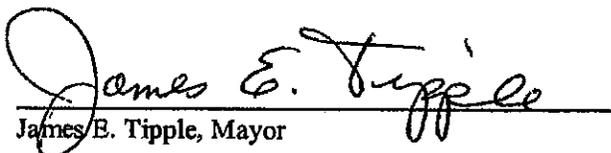
**WHEREAS**, the findings of Earth Tech, Inc. and the Stormwater Utility Task Force were considered by the Finance Committee and Capital Improvements and Street Maintenance Committee in a joint meeting held August 4, 2005; and

**WHEREAS**, the cost of the stormwater management system, providing stormwater management services, and maintaining regulatory compliance are costs incurred due to the discharge of stormwater and surface water from properties in the City, and your Committees have determined it is appropriate for these costs to be reasonably allocated to those properties which result in stormwater and surface water discharges; and

**WHEREAS**, in order to protect the health, safety and welfare of the public, your Committees recommend the necessary steps be taken to establish a stormwater utility; now therefore

**BE IT RESOLVED** the Common Council of the City of Wausau hereby approves continuation of the process to establish a stormwater utility, to include future adoption of an ordinance, establishment of rates for stormwater management services, and development of a credit policy and appeal process.

Approved:

  
James E. Tipple, Mayor

**A joint meeting of the FINANCE COMMITTEE and  
CAPITAL IMPROVEMENTS AND STREET MAINTENANCE COMMITTEE**

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Date of Meeting: August 4, 2005, at 4:45 p.m. in the Council Chambers of City Hall.

Members Present: Finance: Baumgardt, Rosenberg, Hadley, Klingbeil, Siewert.  
CISM: Gale, Siewert, Baumgardt, Radtke, Kellbach.

Also Present: Gehin, Wesolowski, Lehmann, Mayor Tipple; Jim Bachhuber and Kurt Schoen of Earth Tech.

In compliance with Chapter 19, Wisconsin Statutes, notice of this meeting was posted and received by the *Wausau Daily Herald* in the proper manner.

**Discuss Possible Creation of Stormwater Utility**

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Stormwater Utility Task Force members present were Groat, Morrissey, Brezinski, Mike Rebhahn, and Chris Budzinski (for Wausau School District).

Gehin explained all members of the Finance and CISM Committees, Common Council and Task Force had received a copy of the Stormwater Utility Study prepared by Earth Tech along with his memo summarizing the report. The study includes all the work done by Earth Tech, a model ordinance, how to proceed if a utility is created, and minutes from the Task Force meetings.

Bachhuber explained Earth Tech has been under contract with the City since last summer to investigate the idea of funding the stormwater management program through a stormwater utility. Their report explains all the activities which have taken place and Gehin's summary memo condenses the information contained in the report. The Stormwater Utility Task Force met six times and consisted of aldermen, staff, representatives of churches, businesses, non-profits, developers and the school district.

In determining Wausau's stormwater management needs they looked at what Wausau currently spends and what it can expect to spend in the future. There is no line item in the budget for a stormwater management program so they broke out tasks being done for stormwater control. Many people think rain hits the ground, runs off and goes into the river, but there is a lot of infrastructure and effort that goes into managing stormwater. Items currently being done by the City include engineering, planning, inspection, enforcement, operations, maintenance, and capital improvements, for a total annual cost of \$1.6 million. They identified the future capital and non-capital annual costs. The cost for current and future needs is why the idea of an alternate funding mechanism is being considered. Bachhuber explained there will be State regulatory programs which will require the City to accomplish more pollution reduction with stormwater management control. Most of the City's past efforts have been for flood control but there will be additional future expenses to manage pollution from stormwater. The capital needs for flood management were identified in a study prepared last year by Becher-Hoppe Associates. Improvements they have identified are flood control needs and not pollution control management needs.

Bachhuber explained a stormwater utility is like any other utility—water, wastewater, electric—and all customers pay a fee for the services. Customers would pay a fee for services rather than property taxes, and the customers would be all property owners in the City. The fee would be based on the amount of runoff generated by a property and would not be based on the value of the property. The service being provided is the safe conveyance and treatment of stormwater.

Bachhuber explained there are a number of benefits to having a utility. It is a fair and equitable way to distribute costs. It is not based on property values; it is based on the runoff discharge amounts from properties. A utility provides a dedicated source of funds and the program needs are not in competition for funds with other municipal services such as police, fire, etc. A utility can fund all capital and non-capital costs. The costs will be taken off the property tax budget and put into the stormwater budget. Dollar for dollar a homeowner will pay less because homeowners have less land and less hard surface.

Bachhuber explained there are also disadvantages. It is a change in the status quo and it is a hard concept to grasp—that you have to pay for rain runoff. There are costs for runoff because more land is being built upon so more pipes, ponds, etc. are needed to manage pollution. Many people incorrectly think stormwater goes to the wastewater treatment plant. The City pays \$1.6 million to manage its infrastructure. The City will incur some additional administrative costs with a utility but it will be minimal. Schools, churches and other non-profits which are not paying property taxes would pay under a utility, just like they pay for sewer, water and electric. Commercial and industrial properties will pay more under a utility because they have larger impervious areas.

Bachhuber explained there are currently 28 communities in Wisconsin with stormwater utilities. The oldest has been in operation for ten years and the closest to Wausau is the Village of Weston. Twenty communities in the state are considering a utility.

He explained that fees can support all or any part of program costs under a stormwater utility. The question is how to distribute the costs. They looked at hard surfaces and measured enough residential properties to get a good average number. They determined that based on land use, residential properties make up 37% of the funding source and non-residential properties make up 63% of the revenue source. An equivalent runoff unit (ERU) is the standard measurement being used. It is the square footage of impervious area and an average single-family home is considered to be one ERU. They determined that Wausau has a total of 32,665 ERUs which was then used to calculate the rate to support the stormwater program. Rosenberg asked if a home of 900 square feet is considered the same as a home of 4000 square feet. Bachhuber replied they would both be one ERU but it does not have to be that way. Some communities have established fees for small, medium and large residential properties. (See note on page 6.)

Bachhuber explained if the City's current budget of \$1.6 million was supported by a stormwater utility, the rate per ERU would be \$50.34 per year, or \$4.19 per month. A commercial property with four times the area would pay a fee for four ERUs. If only a portion of the stormwater program is supported with fees, then the rate would change. Rosenberg ask if the fee could be phased in; for example, collect for some of the costs for one or two years then go to the next level. Bachhuber

replied that some communities have done it that way, but others implemented the fee all at once. It "hurts" more if the fee is raised every year. Gehin stated that sewer and water bills are sent quarterly, and the stormwater fee would be included on those bills. The annual ERU rate to support the total stormwater program—current and future needs—would be \$76.87, or \$19.22 per quarter.

Gale pointed out the City will be faced with high stormwater management costs associated with the Highway 51/29 construction project.

Hadley asked if the costs for future needs will bring the City to the 2013 compliance date. Bachhuber replied that future non-capital and capital needs of \$400,000 per year are mandated. Future capital needs for flood management are not but are recommended based on Becher-Hoppe's report. Gehin explained there are flooding issues which need to be addressed on West Wausau Avenue by Wausau West High School and at 17<sup>th</sup> Avenue and Stewart Avenue. There is also serious concern about the condition of some outfalls and those have to be evaluated. Hadley felt that phasing in the rate would not result in a substantial difference to anyone. Rosenberg was concerned that a quarterly billing would be difficult for people and the City may have to look at implementing a monthly billing system to keep it more manageable. Gehin explained they have already started the process to review their billing system and should be able to go to monthly billings in 2-3 years.

Bachhuber explained they looked at what the monthly fee would be to fund the current program only, future needs only, capital needs only, or the total program, and how the fees would affect individual properties. The costs would be funded by fees and would not be funded by general revenue. People will ask if the tax rate will go down by the same amount of money. It is difficult to answer because there are other things that come up that have to be funded, such as health insurance, police, fire, etc. The stormwater management costs are taken off the tax levy but there may not be a dollar for dollar reduction in the tax rate since other costs can cause the tax rate to increase.

Bachhuber explained the next step is for the committees to decide if this is the best way to approach a stormwater management program. The dollar costs will not go away and the program needs and mandates will not go away. The costs have to be paid with a utility, property taxes, or some other method. If the City decides that a utility is a reasonable approach, then an ordinance will have to be adopted to create a utility, a rate structure and credit policy will have to be developed, and the customer database will have to be created. In most communities the stormwater utility is overseen by the Common Council, administered by the Department of Public Works, and billings are handled through the water and sewer utility.

Hadley asked how the repayment of TIF districts will be affected if these costs are not collected through taxes. Groat explained if the tax rate goes down there would be less revenue for TIF districts and it would take longer to recoup the expenses. She did not think there would be a significant detrimental effect, just a slower repayment process. Hadley felt there would be an impact since there would be a reduction on the tax roll. She stated she was not clear if the program should be supported by a utility or be paid with taxes so people can have the deduction. She was also concerned about having a separate bill. Developers coming to Wausau may be discouraged if there will be a high bill to pay. People get used to taxes, and she was not sure if there would be a benefit to having a utility.

Groat explained there will be winners and losers. If taxes go down there would be an annual savings. Based on 2004 values, the break-even point was \$64,000—a property valued under \$64,000 would pay slightly more under a stormwater utility versus property taxes; a property valued over \$64,000 would pay less. Hadley felt that would be a reason to develop a fee for small, medium and large properties (see note on page 6). She felt people need time to adjust to this concept. It will be devastating to non-profits who are already struggling and to large commercial properties. Gale pointed out the Stormwater Utility Task Force included people from non-profits and schools and the impact on those groups has not been minimized.

Gehin explained if the decision is made to create a stormwater utility, it would be a minimum of six months or longer before bills could be generated. The 2006 budget is currently being prepared and it may not be possible to have everything ready for 2006 unless that is what the Council wants. Gale explained that because state grant funds are at stake, the committees need to decide at this time to either continue on to create a utility or stop the process. A stormwater utility may not be ready to go until 2007 but the decision has to be made now. Hadley said she would prefer 2008. She noted the school district is restricted by revenue caps and not all businesses are able to pass along increased costs to their customers.

Rosenberg stated stormwater costs are already being paid on an incorrect basis because they are paid only by those who pay property taxes, and thus paid disproportionately by homeowners. He felt that fairness demands that the City try to get people to participate in paying for services they are receiving. The hydrant fee is an example of a cost that is now being paid by everyone. Rosenberg felt it is important to further study this and begin the public education process.

Klingbeil asked Bachhuber if he knew of any communities which studied creating a stormwater utility and decided not to. Bachhuber replied that of the communities he has worked with who fall under the regulatory programs for stormwater management, only the City of Marshfield decided not to create a utility.

Klingbeil asked how much administrative costs would increase if a utility is created. Bachhuber replied that based on his experience with Oshkosh and Appleton, they used their current staff and reallocated responsibilities. The equivalent of about a half-time position could take care of the administrative component and billing process. Gehin explained the best way to bill out a stormwater fee is through the sewer and water utility. The fees could be put on property tax bills but non-profits are currently not in the database and would have to be added.

Klingbeil questioned if the City is in compliance with the 2008 requirements, and Bachhuber replied the City has already achieved the amount of pollution control required for 2008. There are other non-capital items required by 2008, such as the public information process, but no major costs. Gehin pointed out there may be infrastructure issues which will have to be addressed prior to that time. Schoen stated the flood management component is not mandated by the State but the City may want to pursue improvements before 2008. Klingbeil asked if the annual stormwater management costs have been prepared based on 2005 dollars, and Bachhuber replied they are.

Referring to the benefits and disadvantages, Brezinski felt the overriding principle is that a utility is a fair and equitable system. He supported giving consideration to having a fee for small, medium and large residential properties (see note on page 6). A stormwater utility will provide a dedicated, stable source of funds. If there is a tax freeze and these costs remain on the tax rolls, it doesn't matter what the needs are, stormwater mandates will have to be met. Stormwater costs would not be subject to a tax freeze if there is a utility to pay for the services. Homeowners would pay less and they should pay less because they create less runoff. Brezinski noted some things identified as a disadvantage may be an advantage. Change can be difficult but if circumstances necessitate change, then change should be in order. Stormwater management is a hidden infrastructure. A utility will take it out of a hidden category and put it into a known category. There will be additional administrative costs but those costs will be covered by the fees paid. He stated he has difficulty with the school situation because he is aware of their budget constraints, however, if schools—and churches—are generating runoff then they are responsible. He shared the concern about keeping Wausau attractive to developers but the State has leveled the playing field and the same rules apply to everyone.

Rosenberg asked what effect creating a utility would have on the City's current and future general obligation bonds. Groat explained existing debt would not be refinanced and general obligation debt can be issued for a utility. It is up to the City on how the dollars should be financed.

Gale pointed out a pollution reduction level of 20% has to be achieved by 2008. A level of 30% has already been achieved so the City is not in a panic situation. Staff has recommended a stormwater utility be formed. If the committees decide to create a utility several steps will have to be taken. A model ordinance is in the report and the City will have to adopt an ordinance. A credit and appeal process must be developed. There is no choice on this element because a state court has ruled it is necessary.

Hadley expressed her uncertainty about a utility being the way to go. Gehin explained the City can comply with stormwater regulations without forming a stormwater utility. The question is how the program will be funded. It is important that a decision be made now so if the process is to continue the City will not lose funding from the DNR. Gale noted the decision can be made to create the utility but it may not be implemented until 2007 or even 2008. There is time to refine the process.

Bachhuber explained the DNR grant period ends December 31. If the utility is not in place by December 31 he was uncertain if the DNR would grant an extension on the funds. If the decision is made to create a utility, he felt they could get enough of the work done by the end of the year to show the DNR that a good faith effort is being made. He noted the DNR wants the City to succeed too.

For the Finance Committee, Rosenberg moved to proceed with the process to form a stormwater utility. Klingbeil seconded. Motion carried 5-0. For the CISM Committee, Kellbach moved to proceed with the process to form a stormwater utility. Radtke seconded. Motion carried 5-0.

There was discussion about when this should be presented to the Council—August 9, a special meeting in August, or the September 13 meeting. Klingbeil felt there is not enough time to get information to all Council members for the August 9 meeting and he suggested a second Council meeting be held in August. Mayor Tipple stated he would call for a special meeting if necessary to provide Earth Tech the time they need to continue the process.

Klingbeil moved to adjourn the Finance Committee. Hadley seconded. Motion carried 5-0. Siewert moved to adjourn the CISM Committee. Kellbach seconded. Motion carried 5-0. Meeting adjourned at 6:00 p.m.

**(NOTE: There was discussion about setting different rates for residential properties based on size—small, medium large. Staff has considered this option, and while the Council may chose to have such a rate structure, it will require a great deal of administrative effort to establish and maintain the database.)**

OFFICIAL PROCEEDINGS OF THE WAUSAU COMMON COUNCIL  
held on September 13, 2005 at 7:00 pm., in the City Hall Council Chambers, Mayor Tipple  
presiding.

Item # 080518

03-0314

09/13/2005 7:38:48 PM

Action: Motion by Rosenberg, second by Radtke to adopt a joint resolution of the Finance Committee and the Capital Improvements and Street Maintenance Committee approving the creation of a Stormwater Utility.

Gale stated we have to be in compliance by 2013 and have already met the 2008 compliance requirements. He indicated we are one of 200 communities that have been ordered to create a stormwater utility. Almost 40% have them enacted, but in every case they have not shown where the money from the general fund that used to pay for the cleanup was moved to the utility and the money was never subtracted from the tax bill. He felt the Council must be cautious with this issue and not be tempted to double charge the taxpayer to help balance the budget. He stated we must fund this project and could do it through a utility that shares the cost with everyone, including non-profits and others that don't normally participate, or we increase the tax levy. He commented the formation of the utility is necessary but he was concerned about how it is funded and how we show it so the taxpayer doesn't get a double charge.

VanDeYacht requested Irv Kolpitke's questions regarding the purpose for the creation and the effect on city taxes be addressed. Brad Marquardt stated the effect on city taxes was not known at this time. He explained that this resolution authorizes us to continue with the investigation of setting up the stormwater utility. The investigation will determine how to set it up and how much of the stormwater management should be shifted to the utility, which would dictate what sort of rates per year to expect. He indicated federal regulations state we must reach 30% reduction in sediment control by the year 2008 and 40% by 2013. He noted we are currently at 32% and the consultant, EarthTech, has indicated the last 8% will be hard to accomplish. He explained they are doing everything they can with street sweeping and detention basins and this may require additional detention basins in areas that are already developed, such as the downtown. The estimate of costs necessary to reach the 2013 requirement is approximately \$2 million. He stressed that the decision before them was whether or not to continue the process of setting up a utility and noted they have been using grant money from the DNR which runs out at the end of this year. He explained they'll continue to work on it if approved, and come back with a recommendation on a rate at a later date.

Gale questioned if it was correct that the \$2 million that must be used to attain the additional 8% is above the money we spend annually for leaf pickup, large item pickup, street sweeping, and the ponds currently maintained. Marquardt responded that this was correct, and added that any new ponds in subdivisions have to meet regulations set by the DNR and do not help us. It is the areas that are already developed that we have to take care of, which is costly.

Brezinski stated this is an important goal set for us and is a pollution abatement program. He commended Gale for his work heading up the Task Force that studied it. He commented he shared Gale's concerns about making sure this done equitably. He assured him that they would make sure the process was open, thorough, and people will be informed all the way through relative to funding.

Klingbeil questioned the regulations regarding run off on parking lots. Marquardt explained the regulations take care of suspended solids, which comes from parking lots, rooftops, and any paved areas. He noted most of this area is in the downtown where there is no pervious area for the water to soak in.

Rosenberg pointed out this resolution has nothing to do with funding which is a decision that will be made later on. The question before us tonight is to set up a mechanism in order to collect in a different fashion than just loading it onto the property taxes.

Yes Votes: 10	No Votes: 0	Abstain: 0	Not Voting: 2	Result: PASS
	District	Aldersperson	Vote	
	1	Rosenberg, James	YES	
	2	Hadley, Debra	NV	
	3	Radtke, Jean	YES	
	4	Brezinski, Jim	YES	
	5	Welles, Martin	NV	
	6	Klingbeil, Gary Lee	YES	
	7	Siewert, Gary J.	YES	
	8	Kellbach, Karen	YES	
	9	VanDeYacht, Christine	YES	
	10	Nutting, David E.	YES	
	11	Baumgardt, Aaron C.	YES	
	12	Gale, Edward	YES	



Department of Public Works

Joseph L. Gehin  
Director of Administration  
Public Works and Utilities

To: CISM Committee Members  
Finance Committee Members

From: Joe Gehin

Date: July 26, 2005

Subject: Summary Memo – Stormwater Utility Investigations

This memo summarizes the attached Stormwater Utility Study. In the summer of 2004, the City of Wausau embarked on a study of the potential for using a stormwater utility system to generate revenue supporting the City's stormwater management services. The City contracted with Earth Tech, Inc., to conduct the study. The study was partially funded through a grant by the Wisconsin Department of Natural Resources. City staff, with assistance from Earth Tech, presented information and conducted analyses under the guidance of a specially appointed Stormwater Utility Task Force. The Mayor appointed the following people to serve on the Task Force:

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>• Ed Gale - Council Member</li><li>• Sid Sorensen - Developer</li><li>• Chuck Ghidorzi - Developer</li><li>• Dennis Wald - School District</li><li>• Gary Wojciechowski - Wausau Hospital</li></ul> | <ul style="list-style-type: none"><li>• Maryanne Groat - Director of Finance</li><li>• Jim Brezinski - Council Member</li><li>• Aaron Baumgardt - Council Member</li><li>• Mike Morrissey - Community Development</li><li>• Mike Rebhahn - Church</li></ul> |
|---|---|

Members of the Task Force were selected to represent a variety of private businesses, non-profit groups, schools, and elected officials.

## BACKGROUND

Currently, the City funds its stormwater management program through the general budget, which is mainly supported with property tax revenue. Under a utility approach, the City's stormwater management program would be funded through a user fee, or a combination of user fee and tax levy. Fees would be charged to every property in the City with impervious area. The fee would be based on the area of roof, parking lot, or other "impervious surface" on each property within the City. The reason for considering this approach is to tie the amount of funding each property pays to the amount of stormwater generated from each property. Using the fee system, the properties that generate the most stormwater pay the largest fee. Also, under this system, all properties - privately owned, publicly owned, churches, schools, government, etc. - pay a fee. The stormwater utility is no different than a water, electric, or wastewater utility system - all customers pay for the service. The service, in the case of stormwater, is the proper collection, storage, treatment, conveyance, and discharge of stormwater runoff from the City of Wausau.

3. Thus, the total annual stormwater program budget needs are:

TABLE 1 ESTIMATED STORMWATER MANAGEMENT PROGRAM ANNUAL BUDGET NEEDS	
Element	Estimated Costs
1. Engineering/Planning	\$199,400
2. Inspection/Enforcement	\$26,300
3. Operations & Maintenance	\$1,087,900
4. Capital Improvements (current annual debt service)	\$330,600
<b>Current program subtotal:</b>	<b>\$1,644,200</b>
5. Future Non-Capital Needs <sup>1</sup>	\$62,000
6. Future Capital Needs - Flood Management <sup>2</sup>	\$464,300
7. Future Capital Needs - NR 216 Compliance <sup>3</sup>	\$340,500
<b>Future needs subtotal</b>	<b>\$866,800</b>
<b>Total</b>	<b>\$2,511,000</b>
Footnotes: <sup>1</sup> Estimate for regulatory compliance (fees, staff, other). <sup>2</sup> \$3,250,000 over 7 years <sup>3</sup> \$2,724,000 over 8 years.	

### Funding the Stormwater Program With a Utility

1. An analysis of the impervious areas within the entire City of Wausau was conducted to determine what utility rate would be required to support the program budget described above. The rate analysis found:
  - a. An average single-family property has a total impervious area of 2,765 square feet (this includes the roof, driveway, patio, and private sidewalks, but does not include the sidewalk in the street right-of-way or the street itself).
  - b. This value could be used as the measurement of an "Equivalent Runoff Unit" (ERU) and be used to compare the impervious areas of all other properties with that of the average single-family home in the City.
  - c. The total number of ERUs within the entire City of Wausau is estimated in Table 2.

TABLE 2 UTILITY REVENUE SOURCES BY LAND USE CATEGORY				
Land Use	Properties		ERUs	
	Number	%	Number	%
<b>Residential</b>				
Single-family residential	10,565	71 %	10,565	32 %
2-family residential	1,414	10 %	1,768	5 %
3-family residential	73	< 1 %	110	<1 %
<b>Residential Summary</b>	<b>12,052</b>	<b>81 %</b>	<b>12,442</b>	<b>37 %</b>
<b>Non-Residential</b>				
Commercial	1,131	8 %	8,432	26 %
Industrial	226	2 %	6,710	21 %
Tax Exempt	1,371	9 %	5,081	16 %
<b>Non-Residential Summary</b>	<b>2,728</b>	<b>19 %</b>	<b>20,223</b>	<b>63 %</b>
<b>Totals</b>	<b>14,780</b>	<b>100 %</b>	<b>32,665</b>	<b>100 %</b>

2. To fund the stormwater program through a utility approach, the budget would be distributed based on each property's ERU value. A utility could be set up to support all, or any portion, of the City's stormwater management needs. Table 3 provides examples of ERU rates (\$/ERU/year) that would be needed to support various components of the stormwater program summarized in Table 1.

TABLE 3 ANNUAL UTILITY RATES TO SUPPORT THE CITY OF WAUSAU STORMWATER PROGRAM			
	To Support Current Program Only (\$1,644,200)	To Support Future Needs Only (\$866,800)	To Support Total Program (\$2,511,000)
Annual ERU Rate (\$/ERU/year)	\$50.34	\$26.54	\$76.87
Monthly ERU Rate (\$/ERU/year)	\$4.19	\$2.21	\$6.41

3. All stormwater program costs funded through a utility would be removed from the City's general budget, and thus would no longer be supported through property taxes. This means that implementing a utility would reduce the general budget, and *may* reduce property taxes. The impact on property taxes is dependent on changes to other City budgets and revenue sources. Calculations were made for actual properties in Wausau, comparing the stormwater program costs using tax verses utility revenue sources. The property tax calculation was based on the 2005 mill rates. The results of this analysis are shown on Table 4.

Table 4 displays that tax exempt properties (churches, schools, etc.), and most industries, would pay more under a utility fee system than under the property tax system. Other properties, such as single-family homes and some commercial properties (especially in the downtown area), would pay less under a utility fee system than the property tax system.

Table 4 on next page.

**TABLE 4  
COMPARISON OF EXAMPLE PROPERTIES - COST TO SUPPORT STORMWATER PROGRAM -  
PROPERTY TAX SYSTEM VERSES STORMWATER UTILITY FEE SYSTEM**

Property	Annual Cost to Support Current Program Only			Annual Cost to Support Future Needs Only			Annual Cost to Support Total Program		
	Property Tax	Utility	Utility Impact <sup>1</sup>	Property Tax	Utility	Utility Impact <sup>1</sup>	Property Tax	Utility	Utility Impact <sup>1</sup>
Single Family Home <sup>2</sup>	\$ 97	\$ 50	-\$ 47	\$ 50	\$ 27	-\$ 23	\$ 148	\$ 77	-\$71
Church A	\$ 0	\$ 701	\$ 701	\$ 0	\$ 369	\$ 369	\$ 0	\$ 1,070	\$1,070
Church B	\$ 0	\$ 1,101	\$ 1,101	\$ 0	\$ 81	\$ 581	\$ 0	\$ 1,682	\$1,682
Middle School	\$ 0	\$ 6,357	\$ 6,357	\$ 0	\$ 3,351	\$3,351	\$ 0	\$ 9,708	\$9,708
Elementary School	\$ 0	\$ 1,301	\$ 1,301	\$ 0	\$ 686	\$ 686	\$ 0	\$ 1,987	\$1,987
Industry (west side industrial park)	\$ 211	\$ 335	\$ 124	\$ 110	\$ 177	\$ 67	\$ 320	\$ 512	\$192
Bank (downtown)	\$ 5,433	\$ 851	\$(4,582)	\$ 2,827	\$ 449	\$(2,378)	\$ 8,261	\$ 1,299	-\$6,962
Store (downtown)	\$ 337	\$ 145	\$(192)	\$ 175	\$ 77	\$(98)	\$ 513	\$ 222	-\$291
"Big Box" Commercial	\$ 4,118	\$ 5,029	\$ 911	\$ 2,143	\$ 2,651	\$ 508	\$ 6,261	\$ 7,680	\$1,419
Department Store (downtown)	\$ 4,117	\$ 1,625	\$(2,492)	\$ 2,142	\$ 857	\$(1,285)	\$ 6,259	\$ 2,482	-\$3,777
Large Manufacturing Industry	\$ 6,668	\$19,005	\$12,337	\$ 3,470	\$10,019	\$ 6,549	\$10,137	\$29,025	\$18,888

**Footnotes:**

<sup>1</sup> If "Utility Impact" is a negative amount, then a utility fee would be less than the stormwater-related portion of the current property tax costs to that property.

<sup>2</sup> Average assessed value (\$125,000).

4. If a stormwater utility were established, a system would be implemented to allow reductions in stormwater fees on properties that built and maintained stormwater management controls. Reduced fees would also apply to properties draining directly to the Wisconsin River or the Rib River.

**CONCLUSIONS, RECOMMENDATIONS, AND NEXT STEPS**

1. The Stormwater Utility Task Force was formed to investigate the concept of a stormwater utility for the City of Wausau. This summary memo and Stormwater Utility

Study are being forwarded to the Capital Improvement and Street Maintenance Committee (CISM) and Finance Committee for their consideration.

2. The stormwater utility fee system is a fair method of allocating costs to **all** the City's properties based on the amount of runoff generated by each property.
3. A stormwater utility fee system will **cost some properties more** than under the current (property tax) system of supporting the City's stormwater services. Properties that will pay more money under the utility system include tax exempt properties, most industrial properties, and larger commercial properties.
4. A stormwater utility fee system will **cost less for some properties** than under the current (property tax) system. Properties that will pay less money under the utility system include 1- and 2-family residential homes.
5. If the City of Wausau decides to implement a stormwater utility, the following steps will need to be taken.
  - a. Adoption of an ordinance establishing a stormwater utility for the City of Wausau by the City Council. The ordinance will define policies, procedures, and rates for the utility.
  - b. Development of a credit policy to define how properties may become eligible for credits to the utility fee.
  - c. Development of a stormwater utility customer billing database.
  - d. Implementation of an information/education program to inform the citizens of the City about the utility.
  - e. Implementation of the billing process.

The above steps could be accomplished by Spring of 2006.

**It is imperative that the CISM and Finance Committees formulate a recommendation to the Common Council regarding the potential formation of a Stormwater Utility. If a decision is not made at this time, it needs to be understood that the City may lose future grant money to continue this process.**

The Stormwater Utility as noted in this summary could be jointly funded by property tax dollars and the special fee, and staff recommends the committees consider the joint funding mechanism. Staff will be present at the joint meeting to answer questions and provide future direction as needed.

cc: Remaining Council members  
Mayor Tipple  
Stormwater Utility Task Force members



A Tyco International Ltd. Company

# Stormwater Utility Study City of Wausau, Wisconsin

*Prepared for:*  
City of Wausau  
Wausau City Hall  
407 Grant Street  
Wausau, WI 54403-4783

*Prepared by:*  
Earth Tech, Inc.  
200 Indiana Avenue  
Stevens Point, WI 54481

*July 2005*

Earth Tech Project No. 78494

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## 1.0 STORMWATER UTILITY OVERVIEW

### 1.1 INTRODUCTION

#### 1.1.1 General Background

The management of stormwater runoff is one of the "unseen" services the City of Wausau provides its citizens. Stormwater management is more than just flood protection. Stormwater is a fourth major municipal infrastructure along with water supply, transportation, and wastewater treatment. The City is responsible for collecting, treating, storing, conveying, and discharging rainfall and snowmelt runoff in a manner that is safe for the public and environment. Construction and maintenance of facilities to properly manage stormwater are expensive and long-term obligations. All parcels of land are linked to this system and benefit from this investment.

The City of Wausau will have to increase expenditures and responsibilities for stormwater in order to meet the City's stormwater management obligations. The reasons for this increase in expenditures include:

1. Increased land development within the City increases the amount of impervious surfaces. This in turn results in more stormwater runoff and more pollution to manage.
2. New federal and state regulations are being implemented which will require the City to improve its treatment of stormwater runoff to reduce pollution to the area's lakes, rivers, and wetlands.
3. A portion of the existing collection system and other structural facilities are in need of maintenance and improvement.
4. There is a potential decrease of revenue sources. The State of Wisconsin state revenue sharing (with local units of government) is in a state of flux, and revenue sharing reductions have the potential for occurring in the future. The City of Wausau supports approximately one-third of its operating budget through state revenue sharing. Loss of this revenue source would significantly affect City services.

The City of Wausau contracted Earth Tech to study the concept of funding stormwater management through a fee system that charges customers based on the relative amount of runoff from their property.

The existing system of funding stormwater management with property taxes has little to no relationship between stormwater services received by a property and the costs associated with the services to safely collect, convey, treat, and dispose of stormwater runoff. Stormwater user fees are a funding alternative developed to allocate the cost of stormwater management based on:

- The cost of services provided
- The amount of stormwater runoff from each land parcel in the stormwater management service area

In addition, a user fee system provides a dedicated long-term funding mechanism that is necessary for community-wide control and management of stormwater.

User charge systems for funding stormwater management programs have existed in Wisconsin for about 10 years. In 1994, the Village of Lake Delton approved legislation establishing the first stormwater utility in Wisconsin. Currently, about 25 communities in Wisconsin have adopted stormwater management utilities.

### 1.1.2 The Study Process

The City of Wausau formed a task force in the summer of 2004 to oversee a study of stormwater management utility approach to funding Wausau's stormwater program. The task force membership is listed below and includes representatives from various sectors of the community.

Ed Gale - Council Member	Jim Brezinski - Council Member
Sid Sorensen - Developer	Aaron Baumgardt - Council Member
Chuck Ghidorzi - Developer	Mike Morrissey - Community Development
Dennis Wald - School District	Mike Rabhahn - Church
Gary Wojciechowski - Wausau Hospital	Maryanne Groat - Finance Director

This document explains the process and findings conducted by the City of Wausau to investigate the idea of a stormwater utility approach to funding this City service.

The task force met five times (between August 2004 and May 2005) and reviewed various topics including:

- The City's current stormwater management responsibilities, programs, and budget.
- The impact of future state regulations on the City's stormwater program.
- Results of two studies on future stormwater capital needs. One study addressed the issue of flood control, and the other study addressed future pollution control needs of the City.
- Potential utility fee rates and costs to properties to support the City's stormwater program.

## 1.2 RELATIONSHIP OF IMPERVIOUSNESS AND STORMWATER

Several factors influence the amount, rate, and quality of stormwater runoff generated by a particular parcel of land including:

- Parcel size
- Soil type
- Topography
- The amount of impervious area

Research has shown that the amount of impervious area is one the most important parameters determining runoff characteristics (both quantity and quality). Streams generally show impacts (reduced variety of aquatic life, habitat degradation, etc.) when the stream's watershed reaches 10 percent imperviousness. This is equivalent to a watershed with residential development of low density (2-acre) residential lots. Most indicators of stream quality (biology, chemistry, and physical habitat) further decline as the impervious area in the watershed reaches approximately 25 to 30 percent, which is equivalent to medium density residential lots. It is the amount of impervious area that is the primary driving factor for the costs of stormwater facilities such as storm sewers, ditches, and detention ponds. The City of Wausau's stormwater management program has been developed around the planning, designing, building, and maintenance of infrastructure for managing the runoff from impervious areas.

### 1.3 USER FEE SYSTEM

Historically, communities have paid for stormwater management with *ad valorem* tax revenues. *Ad valorem* taxes are based on property value and the tax status of the property owner (exempt/nonexempt), neither of which is related to stormwater runoff quality or quantity. Alternatively, stormwater user fees are based on a property's relative stormwater contribution. The stormwater customers who generate larger amounts of stormwater runoff pay proportionally more than other customers. There is a high correlation between impervious area (used to establish the rate structure for a stormwater user fee system) and the quantity and quality of stormwater runoff from the property.

When accounting for stormwater management costs, equity is achieved among the rate payers by basing the stormwater utility fee on the user's **relative** runoff contribution and the cost associated with the established level of service provided by the City. This approach is consistent with other types of user fees, because the fee is based on the rate of use (water utility) or generation rate (wastewater treatment). Like other user fees, the rate is independent of the user's distance from the facility providing the service such as a well, treatment plant, landfill, or detention pond.

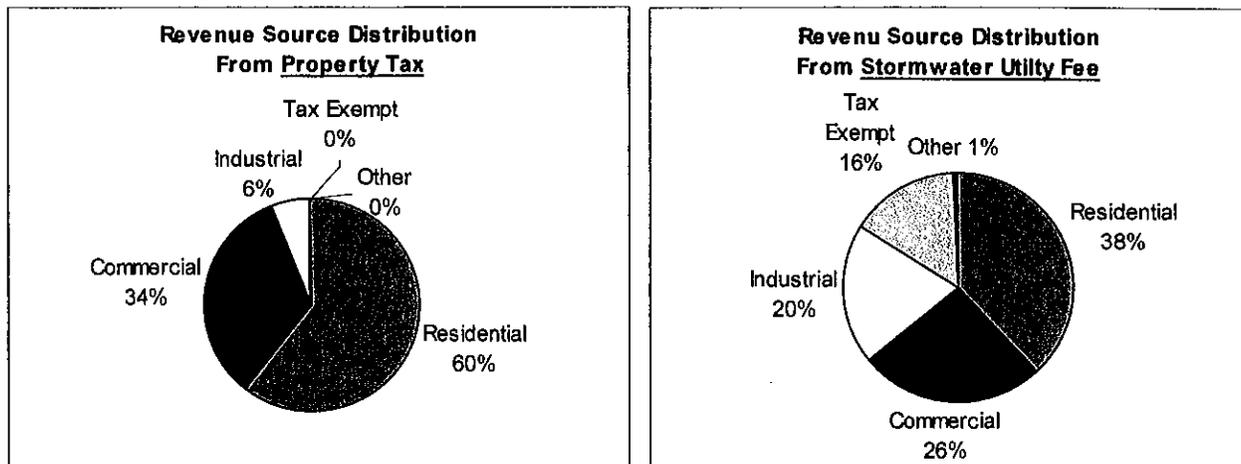
Under the stormwater user fee system, the costs of stormwater management are partially shifted from the single-family homeowner to the industrial, and tax-exempt customers. This more accurately reflects the relative contribution to stormwater management needs from the various types of land uses. Figure 1-1 shows the allocation of stormwater management costs in the City of Wausau under the *ad valorem* tax system and the user fee system.

Currently, single-family residential homeowners in Wausau fund approximately 60 percent of the stormwater management costs, while the remaining multi-family residential, commercial, and industrial property owners pay approximately 40 percent. Tax exempt properties pay no property tax and, generally, pay nothing toward the stormwater services. Some tax exempt properties do pay a negotiated fee to the City to help offset a variety of City services provided to those properties.

With the stormwater user fee system, the cost is distributed among all property owners to pay for the management of the stormwater runoff resulting from their properties. Under this system, the burden of the single-family homeowners as a group is 38 percent (about 2/3 the burden compared to the property tax system). The owners of tax-exempt properties pay approximately

16 percent of the cost of stormwater management. Multi-family residential, commercial, and industrial properties fund the remaining 46 percent.

FIGURE 1-1  
REALLOCATION OF STORMWATER COSTS



#### 1.4 BENEFITS AND DISADVANTAGES OF A USER FEE SYSTEM

The user fee system allocates program costs to all properties according to a property's relative impact (as measured by the impervious area) on the stormwater system. The general benefits cited by communities to a utility fee system include:

- An equitable distribution of costs among all properties contributing runoff to the stormwater system
- A consistent, predictable budget to address short- and long-term stormwater needs
- A utility funds all program needs in a separate budget
- Homeowners generally pay less than their property tax portion

There are also some disadvantages to the user fee system. The general disadvantages cited by communities include:

- A stormwater utility is a change in the "status quo" - change requires public understanding and acceptance
- Stormwater management is often perceived as a "hidden infrastructure" - citizens are not always aware of the public services and costs to managing stormwater
- Tax exempt properties (schools, churches, etc.) will now pay a new fee for these services
- A utility may add some administrative costs

- Homeowners cannot deduct the utility fee on their income tax returns (as may be done with property tax)
- If a stormwater utility fee were billed through the current Sewer and Water Utility bill, changing rates for any utility may be more challenging.
- Many commercial and industrial properties may pay more for these services than their property tax portion

## 2.0 PROGRAM SERVICES AND COSTS

### 2.1 GENERIC STORMWATER PROGRAM ORGANIZATION

Municipal stormwater management programs can be organized under five functional elements:

1. Program Management
2. Engineering and Planning
3. Inspection and Enforcement
4. Operations and Maintenance (O&M)
5. Capital Improvement Program (CIP)

Table 2-1 outlines the general responsibilities of each element.

<b>TABLE 2-1 STORMWATER MANAGEMENT PROGRAM FUNCTIONAL ELEMENTS</b>	
<b>Program Management</b>	
<ul style="list-style-type: none"> <li>• General Administration</li> <li>• Secretarial and Clerical Support</li> <li>• Financial Management</li> </ul>	<ul style="list-style-type: none"> <li>• Overhead Costs</li> <li>• Public Awareness and Involvement</li> </ul>
<b>Planning and Engineering</b>	
<ul style="list-style-type: none"> <li>• Stormwater Master Planning</li> <li>• Program Planning and Development</li> <li>• Water Quality Planning and Monitoring</li> <li>• Hazard Mitigation</li> </ul>	<ul style="list-style-type: none"> <li>• Support Requirements</li> <li>• Technical Support</li> <li>• Design, Field, and Operations Engineering</li> <li>• Support Services</li> </ul>
<b>Inspection and Enforcement</b>	
<ul style="list-style-type: none"> <li>• Code Development and Enforcement</li> <li>• Permit Administration</li> <li>• Drainage System Regulation</li> </ul>	<ul style="list-style-type: none"> <li>• Floodplain Management</li> <li>• Water Quality Regulation</li> </ul>
<b>O&amp;M</b>	
<ul style="list-style-type: none"> <li>• Maintenance Management</li> <li>• Routine Maintenance</li> <li>• Remedial Maintenance</li> </ul>	<ul style="list-style-type: none"> <li>• Emergency Response Maintenance</li> <li>• Water Quality Maintenance</li> <li>• Support Services</li> </ul>
<b>CIP</b>	
<ul style="list-style-type: none"> <li>• Major Capital Improvements</li> <li>• Minor Capital Improvements</li> </ul>	<ul style="list-style-type: none"> <li>• Land, Easement, and Right-of-Way Acquisition</li> </ul>

### 2.2 ESTIMATING CITY STORMWATER PROGRAM COSTS

The remainder of this chapter describes, in more detail, the stormwater-related activities and costs for the City of Wausau. This section presents the costs organized by the five categories described in Table 2-1. The cost estimates for the stormwater program are mainly based on the City of Wausau's 2003 annual budget and the City of Wausau's CIP, 2005 through 2008. Actual

costs for various tasks over the past several years (provided by the City) were used as a check to confirm the accuracy of the cost estimates.

Earth Tech worked with City staff to construct a spreadsheet that calculates the existing costs for various City services. Each department's budget was prorated based upon the amount of stormwater tasks it performs. Those prorated amounts were then summed to estimate a cost for each stormwater element. Appendix A includes the spreadsheet with the detailed cost breakdown by department.

### 2.2.1 Program Management

*Public Works Administration:* The director of public works and staff have primary responsibility for the administration of the stormwater management program. The public works administrative duties include overseeing the maintenance, operation, and construction of the City's stormwater facilities. Program management is an eligible cost to include in a stormwater management program. At this point in time, the stormwater program management costs are not included in the budget (Table 2-6). This may change in the future.

### 2.2.2 Planning and Engineering

*Engineering Division:* The engineering division is responsible for the planning, design, supervision, and coordination of various public works construction and maintenance projects. Stormwater projects include drainage ways, detention facilities, storm sewers, and grading related to other projects. Division staff also review individual and large-scale developments within the City for compliance with stormwater regulations and policies. The estimated stormwater cost for engineering and planning totals \$199,400 annually.

### 2.2.3 Inspection and Enforcement

The City does not currently segregate costs for inspection or enforcement of issues related to stormwater and construction site erosion control. The director of public works, project engineer, public works supervisor and/or building inspectors typically perform inspection and/or complaint follow-up on an as-needed basis. The City estimates that \$26,300 is spent annually on inspection. This is approximately 2 percent of the \$1,582,000 spent annually on all inspections City-wide.

### 2.2.4 O&M

The streets division bears primary responsibility for repair and maintenance of the City's stormwater management and conveyance facilities. Those facilities include the public roads/alleys, storm sewers, and other drainage ways. This division is also in charge of street sweeping and leaf pickup. O&M of stormwater facilities costs the City \$1,087,900 annually. This figure only includes the *stormwater management* portion of the City's total O&M budget. For example, the portion of the budget on the table below for snow plowing is an estimate of the time and material costs **only** for keeping the storm sewer inlets clear of ice and maintaining clear flow in the storm sewer system.

Table 2-2 shows the 2003 budgeted amount for the City's stormwater O&M tasks. Please note that the following costs are only for O&M. They do not include capital projects.

**TABLE 2-2  
2003 BUDGET COSTS FOR STORMWATER  
OPERATION AND MAINTENANCE TASKS**

Task	2003 Budget Cost
Supervision	\$37,360
Street Maintenance	\$53,370
Street Sweeping	\$284,620
Snow Plowing	\$28,460
Sewer Maintenance	\$284,620
Leaf Pick Up	\$142,300
Weed Mowing	\$7,120
Misc. Outside Department Work	\$88,950
Fleet - Equipment Maintenance, Fueling, Storage	\$161,100
<b>Total</b>	<b>\$1,087,900</b>

### 2.2.5 Capital Improvements

The City developed and annually updates a 5-year CIP. This program establishes stormwater and other City improvements to be undertaken between 2005 and 2008. Table 2-3 summarizes the stormwater portion of the program between 2005 and 2008. The costs include both the stormwater management capital improvement projects and the prorated amount of storm sewer construction associated with other projects for each calendar year. For estimating an annual budget for capital improvements, the average cost of \$330,625 will be used.

**TABLE 2-3  
2005-2008 CIP  
STORMWATER PROJECTS AND EQUIPMENT COSTS**

Annual Costs				
2005	2006	2007	2008	Average
\$527,500	\$265,000	\$265,000	\$265,000	\$330,625

In addition to the CIP costs, the City conducted two other studies to identify future capital needs and costs associated with stormwater management: 1) a study by Becher-Hoppe Associates, Inc., to identify storm sewer capacity improvements to alleviate flooding problems and 2) a study by Earth Tech to identify future stormwater pollution control practices to meet pollution reduction state regulations. Those capital improvement needs are discussed in Section 2.3.2.

### 2.3 FUTURE STORMWATER MANAGEMENT NEEDS

To enable the City to continue to provide its citizens with appropriate stormwater management services, and meet new regulatory requirements, the programs described below will be needed. The estimated costs for these programs are included in the predicted overall stormwater program budget.

## 2.3.1 Future Non-Capital Needs

### 2.3.1.1 Program requirements - Compliance with NR 216 Municipal Stormwater Management Regulations

Wisconsin Department of Natural Resource's (WDNR) NR 216 Stormwater Permit establishes a stormwater management program to reduce urban stormwater pollution. The City of Wausau is regulated under that program. The WDNR is scheduled to issue a General Permit for stormwater discharge to the City in 2005. The permit will define a schedule of actions that must be conducted by the City. At a minimum, the permit will require the following issues to be addressed:

1. **Illicit Discharge Detection and Elimination:** The City will need to develop and implement a program that: a) identifies regulated storm sewer system outfalls, b) investigates the outfalls for dry weather flows, c) identifies dry weather flows that are illegal, d) discovers the source of the illegal discharge, and e) eliminates the source. The City will also need to adopt an ordinance that expressly prohibits illegal discharges into the municipal stormwater conveyance system. Examples of illicit discharges include: cross connections between sanitary and storm sewers, and dumping into storm sewer inlets.
2. **Construction Site Erosion Control:** The City will be required to amend the current local construction site erosion control ordinance to meet the technical criteria defined in NR 151. The WDNR has developed a model ordinance that can be used by communities to develop their own local ordinance. This model ordinance is found in Chapter NR 152 of the state's Administrative Code.
3. **Post-Construction Stormwater Management:** The City will also be required to amend the current local post-construction stormwater management ordinance to meet the technical criteria defined in NR 151. The WDNR has developed a model ordinance that can be used by regulated communities to develop their own local ordinance. This model ordinance is found in the state's Administrative Code under NR 152.
4. **Public Education and Outreach:** The City must develop an ongoing program to help inform its citizens on stormwater management issues and how to reduce stormwater pollution. The program may include public information techniques such as brochures, websites, demonstration projects, and use of other media.
5. **Public Involvement and Participation:** As part of the stormwater program, Wausau will need to provide opportunities for the public to participate and comment on the development of policies and direction of the program. This may take the form of citizen advisory committees, special "listening sessions" by the City Council, or other approaches.
6. **Pollution Prevention:** This requirement encompasses a variety of actions to be taken by the City to meet pollution reduction levels established in NR 151. The actions include proper management of municipal facilities to minimize stormwater pollution and increasing operations such as street sweeping and leaf pickup. Structural best

management practices (BMPs) required to comply with this part of the regulations are addressed in Section 2.3.2 of this document.

Costs for compliance with the non-capital requirements of NR 216 were estimated based information from similar cities that are already under NR 216 regulations. An estimate of \$62,000 per year was used for budgeting purposes.

As a result of the stormwater permit (NR 216) requirements, the City will be responsible to enforce two new/revised ordinances: construction erosion control and post-construction stormwater management (see No. 2 and No. 3 above). This may require additional staff to review plans, inspect sites, and document compliance. The level of effort for these tasks is not currently well known. It is recommended that, for budgeting purposes, the City consider a future need for at least one new position to perform plan review, enforcement, and inspection related to the two new ordinances; however, the City has decided not to include the cost of additional staffing in the budget estimate at this time. This potential staff need should be addressed during the department restructuring process currently underway.

### **2.3.2 Future Capital Needs**

#### **2.3.2.1 Flood Management**

Becher-Hoppe Associates, Inc., under contract to the City, conducted a stormwater evaluation that was completed in September 2004. The evaluation studied the capacity of existing storm sewer pipelines larger than 18 inches in diameter. The general purpose of the study was to analyze existing conditions, predict future conditions under alternative management scenarios, and recommend approaches to address identified stormwater **flood** control needs. Based on the Becher-Hoppe report, the City has identified several capital improvement projects to undertake over the next seven years. The total cost of those projects is estimated to be \$3,250,000. For budgeting purposes, future capital improvements for **flood** management are estimated as an annual cost of \$464,300.

#### **2.3.2.2 Stormwater Pollution Control (NR 216 Municipal Stormwater Management Regulations)**

State regulations under NR 216 will require the City to reduce stormwater pollution by 40 percent from existing urbanized areas by 2013. This will require the City to design and construct BMPs to meet the pollution reduction regulations. Some of those costs are already reflected in the City's CIP; however, additional capital costs will be necessary. It is important to note that the costs estimated for this need (pollution control) are in addition to the **flood** management costs identified under Section 2.3.2.1.

Estimates of capital costs were made by completing an analysis of the current pollution conditions and alternative management scenarios. A stormwater pollution model, WinSLAMM, was used to determine the amount of pollution being discharged from the City's storm sewer system. The modeling results show an annual City-wide pollutant loading of 1,127 tons of sediment. This loading is the base number that will be used as the starting value for meeting NR 216 pollution reduction requirements of 20 percent by 2008 and 40 percent by 2013. Table 2-4 summarizes the pollutant loading by land use for the base condition.

**TABLE 2-4  
ANNUAL POLLUTION LOADING BY LAND USE  
NO CONTROLS CONDITION**

Land Use	Area		TSS*	
	(ac)	%	(tons/year)	%
Airport	298	3.6	11	1.0
<b>Commercial</b>				
Downtown	49	0.6	13	1.1
Shopping Center	202	2.4	43	3.8
Strip Mall	369	4.4	125	11.1
Industrial	1,219	14.6	376	33.3
<b>Institutional</b>				
Hospital	43	0.5	6	0.5
Office Park	115	1.4	26	2.3
Other	422	5.1	57	5.1
School	278	3.3	35	3.1
<b>Residential</b>				
High Density	1,164	14.0	130	11.6
Low Density	1,016	12.2	59	5.3
Medium Density	2,355	28.3	192	17.0
Multi-Family	281	3.4	32	2.8
Park	508	6.1	23	2.1
<b>Total</b>	<b>8,321</b>		<b>1,127</b>	
Note: *TSS = Total Suspended Solids, or "Sediment."				

After identifying the "base" pollution number (1,127 tons/yr) Earth Tech modeled the pollution reduction that is achieved through:

1. The existing stormwater pollution control practices that exist in the City
2. A new stormwater pond at the United State Highway (USH) 51/State Trunk Highway (STH) 29 interchange site
3. New pollution control practices that could be constructed in the City to reach the required pollution reduction

Within the City of Wausau, there currently exist areas of roadside swale drainage, street sweeping, and existing wet detention basins. Those existing practices reduce the base loading number by 30 percent.

The City, in conjunction with the Department of Transportation (DOT), will be constructing new detention ponds as a part of the USH 51/STH 29 interchange reconstruction project. The stormwater pollution control achieved from the ponds was also accounted for in the modeling. The City will spend approximately \$290,000 for their share of the new ponds.

Finally, Earth Tech modeled a variety of potential new pollution control practices. Based on this analysis, the following additional management practices will be needed in the City of Wausau to reach the 40 percent reduction goal:

1. Conversion of 6 existing dry ponds to wet detention basins
2. 10 new or enlarged wet ponds
3. 50 acres treated with manufactured BMPs
4. 60 acres treated with infiltration swales
5. 22 acres treated with biofiltration

A detailed table of the associated costs for the base or no controls condition, current management practices, and additional management practices needed to reach the 40 percent reduction goal is provided in Table 2-5. The analysis estimated that \$2,724,000 will be needed to fund the capital improvements necessary to meet the NR 216 reduction requirements. For the purposes of the program budget estimate, those costs will be spread over eight years, or \$340,500 annually. It is important to note that this cost estimate did not include land purchase costs.

Management Scenario	Description of Management Practices	Annual City TSS Load	Percent Reduction from "No Controls" Value	Additional Capital Costs for Scenario	Total Capital Costs
Base Condition	No stormwater management practices	1,127	--	\$	\$
Existing Condition *	Existing stormwater management control measures (swale drainage, street sweeping, wet detention basins)	786	30	\$	\$
DOT Wet Pond	All above measures plus the proposed DOT wet pond	772	31	\$290,000	\$290,000
Conversion of Existing Dry Ponds **	All above measures plus convert 6 existing dry ponds to wet detention basins	756	33	\$428,000	\$718,000
Future Capital Improvement Projects **	All above measures plus the following: <ul style="list-style-type: none"> <li>• 10 new or enlarged wet ponds</li> <li>• 50 acres treated with manufactured BMPs</li> <li>• 60 acres treated with infiltration swales</li> <li>• 22 acres treated with biofiltration</li> </ul>	677	40	\$2,006,000	\$2,724,000

Notes:  
\* All results must be verified (wet pond inspections and dry pond evaluations).  
\*\* Costs for these scenarios do not include land acquisition.

## 2.4 SUMMARY OF ESTIMATED STORMWATER MANAGEMENT PROGRAM NEEDS

The total cost for the City of Wausau's stormwater management program based on the previous analysis is summarized in Table 2-6. The total budget shown represents the program that will need to be supported to address a comprehensive City-wide stormwater management program. It is important to note that Lines 1 through 5 are items currently being conducted by the City and supported through the general budget. Lines 6, 7a, and 7b are new costs that the City will be facing.

Element	Budgeted Cost
1. Program Management	\$0.00-
2. Engineering/Planning	\$199,400
3. Inspection/Enforcement	\$26,300
4. O&M	\$1,087,900
5. Capital Improvements (current annual debt service)	\$330,600
6. Future Non-Capital Needs <sup>1</sup>	\$62,000
7a. Future Capital Needs - Flood Management	\$464,300
7b. Future Capital Needs - NR 216 Compliance <sup>2</sup>	\$340,500
<b>Total</b>	<b>\$2,511,000</b>
Footnotes:	
<sup>1</sup> Estimate for regulatory compliance (fees, staff, other).	
<sup>2</sup> \$2,724,000 over 8 years.	

### 3.0 RATE STRUCTURE DEVELOPMENT

Once the stormwater program budget was established, the next step in the utility evaluation process was to determine a fee distribution system to support the program.

An analysis was performed to determine impervious areas for each parcel that will be used for calculating a stormwater utility charge. This section describes the details of that impervious area analysis.

#### 3.1 PARCEL ANALYSIS

Information on impervious area for property within the City of Wausau was obtained from the aerial photograph provided by the City. Impervious area was defined as any area that has been covered with material that significantly reduced the land's natural ability to absorb rainfall. This included areas that had been paved with concrete, asphalt, or gravel, and areas covered with a structure. Impervious areas within the City's street rights of way were not measured or included in this analysis. The street system functions as a portion of the stormwater conveyance system. The street, curbs, and/or road ditches carry the stormwater before the runoff enters the storm sewer system. Figures 3-1 and 3-2 show examples of the impervious areas for a single-family parcel and a non-residential parcel.

FIGURE 3-1  
EXAMPLE OF IMPERVIOUS SURFACE AREAS FOR A  
SINGLE-FAMILY RESIDENTIAL PROPERTY

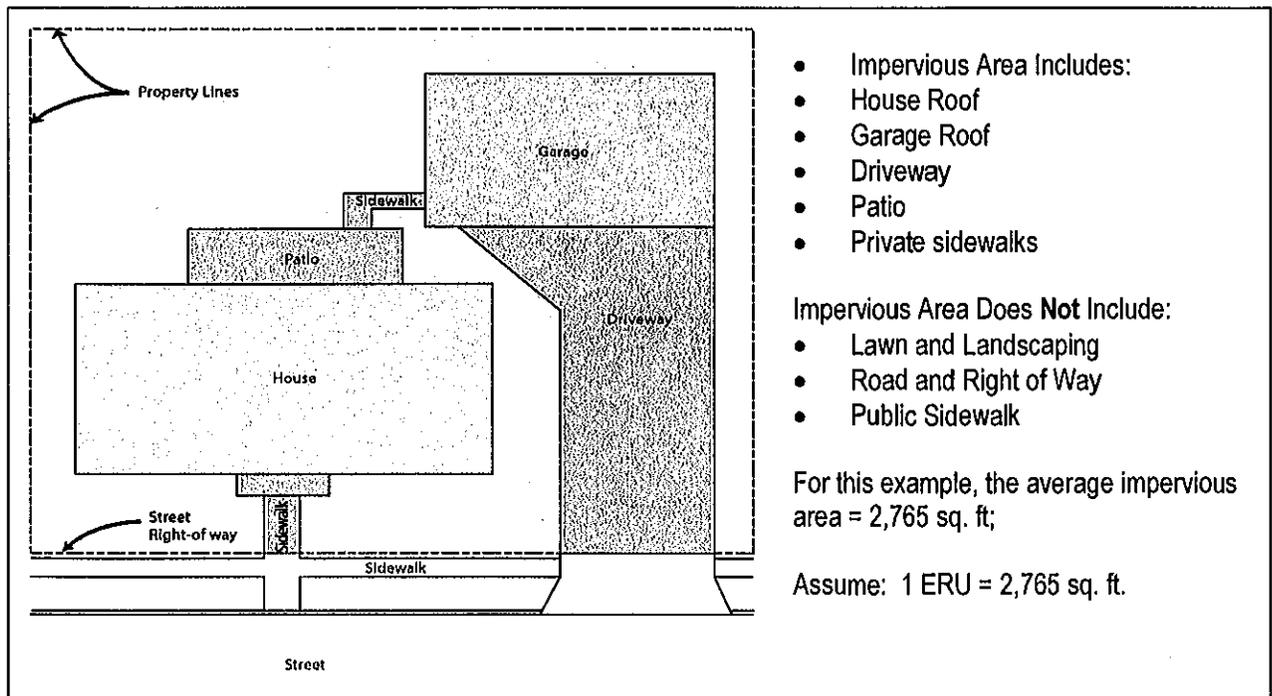
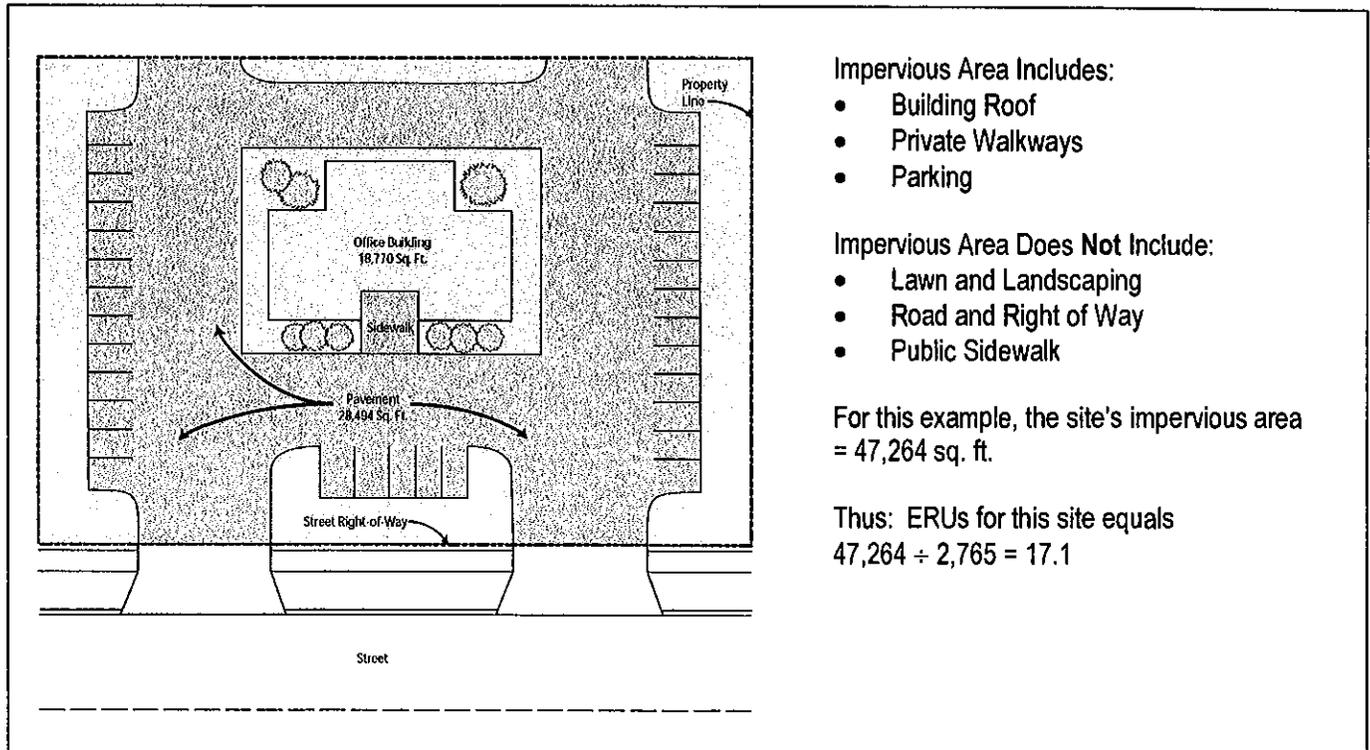


FIGURE 3-2  
EXAMPLE OF IMPERVIOUS SURFACE AREAS FOR A NON-RESIDENTIAL PROPERTY



### 3.2 ESTIMATING AN ERU

"ERU" stands for "Equivalent Runoff Unit" and is the base unit used to estimate a parcel's relative impact on stormwater quantity (flooding) and quality (pollution). For the purposes of this study, an ERU is a standard area of impervious cover on a parcel of land. This term and its importance for stormwater utilities is further discussed below.

#### 3.2.1 Residential Properties

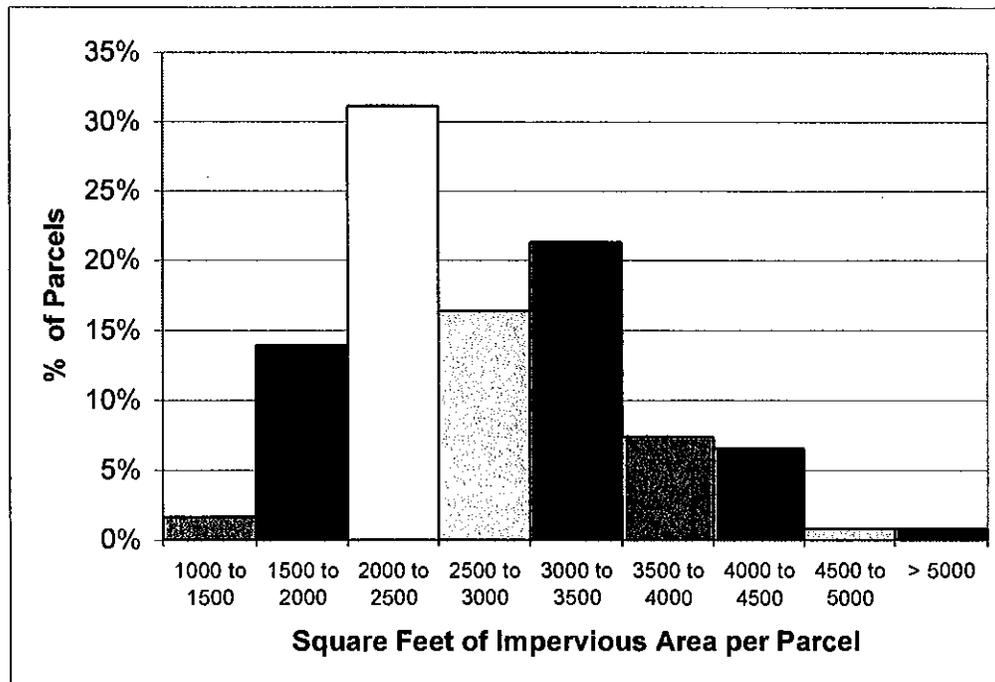
An ERU is defined as the average impervious area on a single-family home parcel in the City of Wausau. As shown in Figure 3-1, the impervious area includes the roof, driveway, private walk, patio, etc. located on the property. In general, it is calculated by finding the average impervious area on a representative number of single-family parcels throughout the City. Earth Tech samples single-family residential homes until there is a 90 percent probability that the calculated (sample) ERU value is within 10 percent of the true (population) ERU value. Determining the true ERU value would require measuring the impervious area of all single-family residential homes in the community. In Wausau, reaching this 90 percent level of confidence involved measuring the impervious area of 122 single-family residential homes. These parcels were picked to represent the variety of single family homes in the City - all age classes and areas throughout the City. The average impervious area of a single-family home in Wausau was calculated to be 2,765 square feet.

**Thus, for the City's stormwater utility rate structure, one ERU = 2,765 square feet.**

Figure 3-3 displays the distribution of analyzed single-family residential parcels by square feet of

impervious surface. The figure shows that about 70 percent of the single family homes analyzed have impervious areas of 2,000 to 3,500 square feet. Thus the ERU figure of 2,765 square feet is a good representation of the average single family home in the City.

**FIGURE 3-3**  
**DISTRIBUTION OF IMPERVIOUS AREA FOR SINGLE-FAMILY PARCELS**  
**(BY PERCENT OF PARCELS ANALYZED)**



Each customer classified as single-family residential would be charged one ERU. Single-family land use is the basis of comparison because: 1) the customer class is fairly uniform as to the magnitude of impact per customer; 2) it is the largest single customer class; and 3) a flat rate greatly simplifies the administration of the billing system and at the same time represents a fair and equitable system of charging fees.

### 3.2.2 Non-Residential Properties

Non-residential properties include commercial, industrial, multifamily, tax exempt, and other properties. Typically, the impervious area of each non-residential property is measured from high resolution aerial photographs. The total amount of impervious area on each parcel is then divided by 2,765 square feet (or 1 ERU based on the residential estimate) to determine the number of ERUs for each property; however, this preliminary study did not measure each non-residential property. Rather, the non-residential ERUs were estimated using existing City maps showing impervious areas (these maps are called planimetric maps). The maps are not fully up to date but are suitable for estimating purposes. The estimated ERUs should not be used for actual utility billing purposes. If the City chooses to adopt a stormwater utility, the impervious areas must be measured for each non-residential property and used to calculate each individual property's ERU value.

### 3.2.3 ERU Estimates by Land Use Type

As of October 1, 2004, there are 14,780 customers (based on the number of developed parcels with impervious surfaces) in the City of Wausau. Table 3-1 summarizes the results of an analysis of the customers and number of ERUs by land use type. Residential properties make up about 81 percent of the total customers within the City, but based on impervious area, residential properties account for about 38 percent of the total ERUs. The distribution of ERUs for all properties is provided in Table 3-1.

<b>TABLE 3-1 UTILITY REVENUE SOURCES BY LAND USE CATEGORY</b>				
<b>Land Use</b>	<b>No. of Customers</b>	<b>% of Total Customers</b>	<b>No. of ERUs</b>	<b>% of Total ERUs</b>
<b>Residential</b>				
Single-family residential	10,565	71	10,565	32
2-family residential	1,414	10	1,768	5
3-family residential	73	< 1	110	Less than 1
<b>Residential Summary</b>	<b>12,052</b>	<b>81</b>	<b>12,442</b>	<b>37</b>
<b>Non-Residential</b>				
Commercial	1,131	8	8,432	26
Industrial	226	2	6,710	21
Tax Exempt	1,371	9	5,081	16
<b>Non-Residential Summary</b>	<b>2,728</b>	<b>19</b>	<b>20,223</b>	<b>63</b>
<b>Totals</b>	<b>14,780</b>	<b>100</b>	<b>32,665</b>	<b>100</b>

### 3.3 CUSTOMER USER CLASSES

#### 3.3.1 Residential

The City of Wausau has 12,052 customers classified as residential. Residential property includes one-, two-, and three-family units. Apartment and condominium units with more than three families and mobile home parks are classified as commercial properties.

Total impervious area was calculated for a sampling of single-family parcels (as described in Section 3.2). The average single-family parcel in the City of Wausau was calculated to have 2,765 square feet of impervious area. There are 10,565 single-family residential customers in the City of Wausau, and each single-family home would be charged one ERU.

The remaining 1,487 2- and 3- family residential customers are given an ERU rate based on the type (duplex or triplex) of residential property. Each resident in duplex homes is typically charged a rate of 0.7 ERUs per dwelling unit. ERU values for 3-family residences are typically charged a rate of 0.5 ERUs per dwelling unit.

#### 3.3.2 Commercial

There are 1,131 commercial customers identified in the City of Wausau. The total number of ERUs for commercial customers is estimated to be 8,432. The ERU value for each commercial

customer is calculated by dividing the total impervious area of the property by 2,765 square feet (see Section 3.2.2 for an explanation on how impervious areas were estimated).

### **3.3.3 Industrial**

There are 226 industrial customers identified in the City of Wausau. The total number of ERUs for industrial customers is estimated at 6,710. The ERU value for each industrial customer is calculated by dividing the total impervious area of the property by 2,765 square feet.

### **3.3.4 Tax Exempt**

Tax-exempt property includes schools, governmental property, parks, churches, and other non-profits. There are 1,371 tax-exempt properties identified in the City of Wausau that comprise an estimated total of 5,081 ERUs. The ERU value for each customer is calculated by dividing the total impervious area of the property by 2,765 square feet.

## 4.0 RATE ANALYSIS

**The recommended rate structure for the utility rate analysis is based on the impervious area (measured in square feet) of each parcel. Under this system, one ERU equals the average impervious area of a single-family home parcel in the City of Wausau. All other properties will have an ERU value based on the property's impervious area relative to the single-family ERU area of 2,765 square feet.**

### 4.1 CALCULATING THE CITY ERU RATE

The components of a stormwater management utility program that may be funded are: 1) program management, 2) planning and engineering, 3) inspection and enforcement, 4) O&M, and 5) capital improvements. Table 2-6 showed the estimated budget for those City services. Stormwater utility rates are determined by comparing the total cost of the stormwater management program to the total number of billing units (or ERUs) in the revenue base. Using an average predicted annual budget from Table 2-6, the following rate calculation is made:

---

$$\text{Rate (\$/ERU/year)} = \frac{\text{\$ Annual Budget}}{\text{Number of Billing Units}} = \frac{\text{\$ 2,511,000*}}{32,665**} = \$76.87/\text{ERU/yr.}$$

\* Annual budget from Table 2-5

\*\* ERUs from Table 3-1

---

Based on the above calculation, the estimated annual ERU rate for the City of Wausau to fund the entire stormwater program would be:

**\$76.87 per year**

This means that for every ERU of impervious area on a property, the annual utility fee would be \$76.87.

The City may choose to fund all or any portion of the stormwater program under the utility, and the utility rate would be adjusted to match the budget needs.

### 4.2 RATE COMPARISON TO OTHER WISCONSIN STORMWATER UTILITIES

As mentioned previously, there are numerous communities within Wisconsin that have adopted a stormwater utility. Table 4-1 lists communities along with their corresponding annual ERU rates as of summer 2004.

**TABLE 4-1  
WISCONSIN COMMUNITIES' STORMWATER UTILITY RATES**

Community	Date Established	Annual ERU Charge **	Community	Date Established	Annual ERU Charge **
1 Appleton (City)	1995	\$71.00	14 Milwaukee (City)	1998	\$82.20
2 Bellevue (Town)	2002	\$48.00	15 Monona (City)	2004	\$80.00*
3 Butler (City)	1999	\$ 66.00	16 Neenah (City)	2003	\$56.00
4 Cudahy (City)	2001	\$48.00	17 New Berlin (City)	2001	\$60.00
5 Eau Claire (City)	1997	\$43.00	18 Oshkosh (City)	2003	\$29.52
6 Fitchburg (City)	2002	\$52.20*	19 River Falls (City)	1998	\$23.52
7 Garner's Creek	1998	\$96.00	20 Sheboygan (City)	2004	\$43.20
8 Glendale (City)	1996	\$39.00	21 St. Francis (City)	2001	\$48.00
9 Grand Chute (Town)	1997	\$48.00	22 Sun Prairie	2003	\$60.00
10 Green Bay (City)	2004	\$51.00	23 Wauwatosa (City)	1999	\$36.00
11 Greenville (Town)	1999	\$60.00	24 West Allis (City)	1997	\$52.00
12 Lake Delton (City)	1993	\$12.00	25 Weston (Village)	2004	\$48.00
13 Madison (City)	2001	\$36.00*			

Note:

\* ERU rates vary for these communities; the value shown is an average.

\*\* The ERU charge rate may or may not reflect the entire stormwater program budget. Some utilities only fund a portion of the stormwater program. Also, the rates may not reflect costs for meeting the NR 216 stormwater regulations.

*Average  
= \$51*

## 5.0 SUMMARY

The City of Wausau contracted Earth Tech to complete a preliminary analysis of a user fee system. If the City of Wausau decides to pursue adoption and implementation of the stormwater user fee system, the following steps will be necessary.

1. **Approval by the City Council** - The formal creation of a stormwater utility will require the adoption of an ordinance establishing a utility board or commission, policies, and procedures. A generic example of such an ordinance is in Appendix B.
2. **Adoption of an Ordinance Establishing the User Fee System** - A second ordinance (or combined with the ordinance under No. 1) establishes the ERU rate to be applied.
3. **Develop the Detailed Billing Files** - If the City desires to proceed with a stormwater utility, detailed impervious area measurements of all non-residential properties in the City will be conducted. In addition, those measurements will be converted into ERUs and assigned to each property in a database. Finally, this database would be linked with the water/wastewater utility billing file so that the stormwater utility fee can be added to the current water/wastewater bill.
4. **Development of a Credit Policy** - The stormwater utility will need to account for properties where the stormwater fee will be adjusted because of site-specific conditions. The two most common reasons for fee adjustments are: 1) a property has established a stormwater management practice that is reducing the stormwater impacts to the City's municipal conveyance system, or 2) a property is located riparian to a water body, and runoff from the property does not enter the municipal conveyance system. A generic example of credit policies is included in Appendix C.
5. **Provide Information to the Public** - The citizens of Wausau will need to be informed of the stormwater utility, the reasons for its establishment, and the services being funded by the utility fees.

**APPENDIX A**

**CITY OF WAUSAU STORMWATER UTILITY STUDY  
COST BREAKDOWN**

**Table 1**  
**City of Wausau Stormwater Utility Study**  
**Example Activities by Department and Department Section**

Category	Department	Section	Example Activities
1. Program Management	General Government	City Administrator	Effect enforcement of ordinances
			Prepare and administer annual City budget
			Oversee maintenance and operation of parks and recreational facilities
			Oversee fiscal transactions of the City
		Miscellaneous	
		City Attorney	Research, draft, and/or review ordinances, resolutions, etc.
			Negotiate or assist negotiation of City contracts and agreements, etc.
			Provide information, liaison, and ombudsman services to municipal government associations
		City Clerk/Treasurer	Maintain custody of City official records including ordinances, resolutions, etc.
			Serve as recording secretary
	Maintain future special assessment records in accordance with developer agreements		
	Publication of legal notices as required along with ordinance/resolutions and minutes of Council		
	Co-sign documents including agreements contract, change orders, bond issues, etc.		
	Maintain list and distribution of updates and revisions to municipal codebook		
Billing Clerk/Office Assistant	Send out bills for stormwater utility fees		
Administrative Assistant	Aid office staff		
Payroll Clerk/Office Assistant	Pay stormwater utility staff		
Management Information Systems	Provide quality and expertise technical assistance with City Computer related projects, problems, requests, etc		
Public Works	Public Works Administration	Directly supervise and administer the daily operations of the Engineering Division	
		Provide Public Works administrative support to the City manager, Common Council, various City departments, etc	
2. Engineering/Planning	Public Works	Engineering	Coordinate of public construction projects
			Create and maintain official maps and records of City facilities, roadways, and easements
			Provide information to the public in relation to storm drainage
			Maintain a City-wide bench mark survey system and provide survey information
			Preparation of GIS maps for public, for other departments, etc
			Provide utility locations (Digger's Hotline) for City facilities and administer right-of-way permits
			Review individual or large-scale developments
			Set grade, inspect drainage and erosion control plans
	Community Development	Planning Services	Responding to inquiries from public, builders, developers on land use matters
			Enforcement of land use control ordinances
			Processing requests to Plan Commission and Board of Appeals on land use matters, etc
			Preparation of Redevelopment Project Area Plans and implementation/coordination of TIF project activities
			Submittal of grant applications and administration of grants received for community development related activities

**Table 1**  
**City of Wausau Stormwater Utility Study**  
**Example Activities by Department and Department Section**

Category	Department	Section	Example Activities
3. Inspection/Enforcement	Community Development	Inspection Services	Coordinate permit issuance with Planning Services Division, Public Works, and other City Offices
			Inspect permitted construction activity
			Review residential, commercial, and industrial building plans
		Code Enforcement	Prepare monthly and annual permit activity reports
			Other
			Stormwater permitting
4. Operations/Maintenance	Public Works	Streets	Construction Erosion Control
			Construction staking
			Other
			Maintain total miles of streets
		Fleet/Municipal Service Center	Street sweeping
			Grass mowing on right-of-way and public properties
			Leaf collection in the fall
			Maintenance of storm sewers and other drainage ways
			Assist other City departments with excavation, pavement repair/installation and other maintenance activities
			Provide repair and preventive maintenance services
			Maintain all buildings and grounds of the Central Garage complex
			Store materials
Recycling	Provide operation of fueling facilities for a variety of operations		
	Collect brush curbside the first full week of each month		
5. Capitol Improvements			Advertise curbside leaf collection for Fall
			Debt
			Storm Sewer Construction
			Major Equipment Replacement

**Table 2**  
**City of Wausau Stormwater Utility Study**  
**Example Engineering and Planning Activity Cost Breakdown**

Cells to be filled in/modified by City:  
 Cells with formulas:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Information Source	Page #	Total \$	Activity	Total Allocation (%)	% time in Stormwater (%)	Total Allocation for Stormwater (%)	Section Stormwater Allocation (\$)	Annual Costs (\$)
		(\$)		(%)	(%)	(%)	(\$)	=sum(8)
<b>2. Engineering/Planning Engineering - Public Works Engineering</b>								
2004 Annual Budget	\$ 1,132,026							
			Design, Specification, Coordination	25%	10%			
			Maps and records, as built	25%	25%			
			Information for the public	1%	40%			
			Grade checking for house, lawn, and driveway	1%	5%			
			Grade staking for construction of paving, sanitary sewer, water main, storm sewer	7%	25%			
			Plan Review	1%	25%			
			Review of Storm Water Management Plans	1%	100%			
			Field Review (field checking that isn't streets - home drainage, shooting elevations)	1%	5%			
			Inspection of sidewalk, paving, sanitary sewer, water main, and storm sewer	28%	15%			
			Assist other departments	10%	10%			
			<b>Total</b>					
<b>Total Public Works Engineering Planning Services</b>		92,682						
2004 Annual Budget								
			Land use control ordinances/administration and enforcement	50%	2%			
			Housing related programming	5%	0%			
			Acquisition/relocation	10%	0%			
			Grants Administration	3%	0%			
			Community & economic development programming	25%	4%			
			GIS related	5%	0%			
			Dept. of Community Development Administration & Support	2%	0%			
			<b>Total</b>					
<b>Planning Services Total Engineering/Planning Total</b>								



**Table 5**  
**City of Wausau Stormwater Utility Study**  
**Example Storm Sewer & Street Maintenance Projects and their Associated Components**

Cells to be filled in/modified by City:   
 Cells with formulas:

Cost Summary					Cost per Project		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
						= (5) * (6)	= sum(7)
Project	Tool	Description	Unit	Cost/Unit	Units Used to Complete Project	Cost per Tool	Project Cost
				(\$)		(\$)	(\$)
Storm Sewer Mains Flushed	VacAll	Equipment	Hour				
	JetVac	Equipment	Hour				
	People	Labor	Hour				
	Water		Total Unit*				
<i>Subtotal</i>							
Storm Sewer Mains Jetted	Jetter	Equipment	Hour				
	Tanker Truck	Equipment	Hour				
	JetVac	Equipment	Hour				
	People	Labor	Hour				
<i>Subtotal</i>							
Storm Sewer Mains Televised	TV Truck	Equipment	Hour				
	People	Labor	Hour				
<i>Subtotal</i>							
Storm Sewer Mains Root Cut	Jetter	Equipment	Hour				
	People	Labor	Hour				
	Water		Total Unit				
<i>Subtotal</i>							
Storm Sewers Repaired		Materials					
		Equipment					
		Labor					
<i>Subtotal</i>							
Storm Sewer Manholes Reconstructed		Materials					
	<i>Subtotal</i>						
New Storm Sewer Main Construction (non-CIP)		Materials					
		Equipment					
		Labor					
<i>Subtotal</i>							
Storm Inlets Cleaned	VacAll	Equipment	Hour				
	Jetter	Equipment	Hour				
	People	Labor	Hour				
	Water		Total Unit				
<i>Subtotal</i>							
Storm Inlets Reconstructed		Materials					
		Equipment					
		Labor					
<i>Subtotal</i>							
New Storm Inlets Constructed		Materials					
		Equipment					
		Labor					
<i>Subtotal</i>							
Street Sweeping		Equipment	Hour				
	People	Labor	Hour				
	Water		Total Unit				
<i>Subtotal</i>							
Fall Leaf Collection	People	Labor	Hour				
		Equipment					
<i>Subtotal</i>							
Other							
	<i>Subtotal</i>						
<b>Total Annual Stormwater Maintenance</b>							

\*Total Unit = Thousand Gallons per Unit

**Table 6**  
**City of Wausau Stormwater Utility Study**  
**Example Capital Improvements Cost Breakdown**

Cells to be filled in/modified by City:  
 Cells with formulas:

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)	(9)	(10)
					Assessments (\$)	Cost Share Aids (\$)				
5. Capital Improvements										
Past Costs that May be Included										
Debt payment										
Capital Improvement Bonding										
<b>2004 Capital Improvements Program *</b>										
2004 Storm Sewer Construction										
Non-Tax Incremental Financing (TIF)										
Tax Incremental Financing (TIF)										
Major Equipment Replacement										
Other Capital Projects										
<b>2004 Total</b>										
<b>2005 Capital Improvements Program</b>										
2005 Storm Sewer Construction										
Non-Tax Incremental Financing (TIF)										
Tax Incremental Financing (TIF)										
Major Equipment Replacement										
Other Capital Projects										
<b>2005 Total</b>								527,500		
<b>2006 Capital Improvements Program</b>										
2006 Storm Sewer Construction										
Non-Tax Incremental Financing (TIF)										
Tax Incremental Financing (TIF)										

**Table 6**  
**City of Wausau Stormwater Utility Study**  
**Example Capital Improvements Cost Breakdown**

Cells to be filled in/modified by City:  
 Cells with formulas:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)
				Assessments (\$)	Cost Share Aids (\$)					
<b>S. Capital Improvements</b>										
Major Equipment Replacement										
Other Capital Projects										
<b>2006 Total</b>								265,000		
<b>2007 Capital Improvements Program</b>										
2007 Storm Sewer Construction										
Non-Tax Incremental Financing (TIF)										
Tax Incremental Financing (TIF)										
Major Equipment Replacement										
Other Capital Projects										
<b>2007 Total</b>								265,000		
<b>2008 Capital Improvements Program</b>										
2008 Storm Sewer Construction										
Non-Tax Incremental Financing (TIF)										
Tax Incremental Financing (TIF)										
Major Equipment Replacement										
Other Capital Projects										
<b>2008 Total</b>								265,000		
<b>Average Annual Capital:</b>								<b>330,625</b>		
<b>Current Annual Bond Debt Service:</b>								<b>330,625</b>		



**Table 7**  
**City of Wausau Stormwater Utility Study**  
**Administration & Program Management Cost Breakdown**

Cells to be filled in/modified by City:  
 Cells with formulas:

	Info Source	Page #	Total \$	% time in Stormwater	Stormwater Allocation	Annual Costs
<b>1. Program Management</b>						
<b>General Government</b>						
<i>Council, Manager, Clerk, Printing</i>						\$ -
<i>Attorney</i>						\$ -
<i>Human Resources</i>						
<i>Engineering Administration</i>						
<i>Comptroller's</i>						
<i>Management Information Systems (MIS)</i>						\$ -
<b>Total General Government</b>						
<b>Program Management Total</b>						

Attachment # 3

**Table 8**  
**City of Wausau Stormwater Utility Study**  
**Stormwater Cost Summary**

Cells to be filled in/modified by City: [shaded]  
 Cells with formulas: [shaded]

(1)	(2)
Section	Total Annual Budget (\$)
1. Program Management*	[shaded]
2. Engineering/Planning*	[shaded]
3. Inspection & Enforcement	[shaded]
4. Operations and Maintenance*	[shaded]
5. Capital Improvements (debt service average annual cost)	[shaded]
6a. Future Capital Needs (Flood Mgmt):	\$ 484,300
6b. Future Capital - NR 216 Compliance	\$ 340,500
6. Future Non-Capital Needs*	[shaded]
<b>Total</b>	[shaded]

See: Becker - Hoppe Summary Table ("Becker-Hoppe CapitalCost.xls")

See: "Sum Results\_TSS Reductions v2.xls"

\*costs for budget year only  
 All dollar values rounded to nearest hundred.

Estimated # of ERU's in the entire City:	32,666
Annual Rate (\$/ERU) to support estimated program:	\$ 76.87

**APPENDIX B**

**GENERIC EXAMPLE OF A STORMWATER UTILITY CREATION ORDINANCE**

Appendix B - Generic Example of a Stormwater Utility Creation Ordinance

ORDINANCE No. \_\_\_\_\_

CITY OF \_\_\_\_\_, \_\_\_\_\_ COUNTY, WISCONSIN  
AN ORDINANCE OF THE CITY OF \_\_\_\_\_  
CREATING CHAPTER \_\_\_\_, ARTICLE \_\_\_\_,  
PERTAINING TO THE CREATION OF A STORMWATER UTILITY

The Common Council of the City of \_\_\_\_\_ does ordain as follows:

WHEREAS, the Common Council of the City of \_\_\_\_\_ makes the following findings and determinations:

1. The management of stormwater and other surface water discharges within and beyond the City is a matter that affects the health, safety and welfare of the City, its residents and businesses.
2. Failure to effectively manage stormwater affects the sanitary sewer utility operations of the City by, among other things, increasing the likelihood of infiltration and inflow into the sanitary sewer system.
3. Surface water runoff may cause erosion of lands and threaten businesses and residences, and other facilities with water damage. Stormwater and other surface water discharge may create environmental damage to the rivers, streams and other bodies of water within and adjacent to the City.
4. New federal and state regulations are being adopted which will require the City to improve its management of stormwater to reduce pollution to the area's streams, rivers and wetlands.
5. In order to effectively manage stormwater and other surface water discharges, the City operates and maintains a stormwater management system, made up of natural and man-made facilities, and provides other services to manage the quantity and quality of stormwater and other surface water discharges in the City. The City also maintains compliance with all regulatory requirements for stormwater.
6. The cost of the stormwater management system, providing stormwater management services, and maintaining regulatory compliance are costs incurred due to the discharge of stormwater and surface water from properties in the City. It is appropriate for these costs to be reasonably allocated to those properties which result in stormwater and surface water discharges.
7. In order to protect the health, safety and welfare of the public, the Common Council hereby exercises its authority to establish a stormwater utility and establish the rates for stormwater management services.
8. In promulgating the regulations contained in this section, the City is acting pursuant to authority granted by Chapters 62 and 66 of the Wisconsin Statutes, including, but not limited to, Sections 66.0621, 66.0809, 66.0821, and 66.0627.

SECTION 1. That Chapter \_\_\_\_, Article \_\_\_\_, of the City of \_\_\_\_\_ Municipal Code, pertaining to the creation of a stormwater utility is created to read as follows:

**ARTICLE \_\_ STORMWATER UTILITY**

**Section \_\_\_\_ - \_\_\_\_.** **Creation.** There is hereby established a stormwater utility in the City of \_\_\_\_\_. The operation of the stormwater utility shall be under the supervision of the Director of Public Works.

**Section \_\_\_\_ - \_\_\_\_.** **Authority.** The City, acting through the stormwater utility, may without limitation due to enumeration, do the following:

A. Acquire, construct, lease, own, operate, maintain, extend, expand, replace, clean, dredge, repair, manage and finance such facilities and equipment, as are deemed by the City to be proper and necessary for storm and surface water management. These facilities may include, without limitation due to enumeration, surface and underground drainage facilities, sewers, watercourse, retaining walls, ponds, streets, roads, ditches and such other natural or man-made facilities as will support a stormwater management system.

B. Undertake any operations or activities, or provide any services deemed by the City to be proper and necessary for storm and surface water management; and

C. Maintain compliance with all regulatory requirements for storm and surface water management.

**Section \_\_\_\_ - \_\_\_\_.** **Definitions.** The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the content clearly indicates a different meaning:

**City Credit Policy.** The City Credit Policy is a written document prepared by the Director and approved by the City which sets forth the criteria under which customers may be eligible for a credit to reduce stormwater charges. The City Credit Policy shall be available through the Department of Public Works prior to the initial billing.

**Developed Property.** The term "developed property" means property that is developed by the addition of an improvement such as a building, structure, grading or substantial landscaping, but excluding publicly-owned rights of way. A new improvement shall be considered complete, upon issuance of a Certificate of Occupancy, or if no such certificate is issued, upon completion of construction or final inspection. A new improvement shall also be considered complete if the construction project is at least 50 percent complete, and then is halted for a period of three (3) months or more.

**Director.** The term "Director" means the Director of the Public Works Department, or his/her designee

**Equivalent Runoff Unit (ERU)** means \_\_\_\_ square feet which is the statistical average impervious area of a single family residential housing unit within the City.

## Appendix B - Generic Example of a Stormwater Utility Creation Ordinance

**Impervious Area or Impervious Surface.** The terms "impervious area" or "impervious surface" means a horizontal surface that has been compacted or covered with a layer of material so that it is highly resistant to infiltration by rainwater. It includes, but is not limited to, streets, roofs, sidewalks, parking lots, compacted gravel surfaces, as well as and other similar surfaces.

**Non-residential Customer.** The term "non-residential customer" means the owner or non-owner user of a non-residential property with impervious area in the City.

**Non-residential Property.** The term "non-residential property" means any developed property not defined as "residential property", including, but not limited to, transient rentals (such as hotels and motels), multifamily apartment buildings or condominiums of three or more units, commercial, industrial, institutional, governmental property, and parking lots.

**Residential Property.** The term "residential property" means any developed property developed exclusively for residential purposes with two or fewer residential housing units.

### Section \_\_\_\_-154 Rates and Charges.

- A. User charges shall be imposed on all developed property with impervious area in the City to recover all or a portion of the costs of the stormwater utility. The amount of such charges shall be based on a rate per equivalent runoff unit (ERU). The rate per ERU shall be established pursuant to further resolution of the City of \_\_\_\_\_ Common Council and shall be fair and reasonable. A schedule of current rates shall be maintained and on file in the office of the City Clerk.
- B. All developed property with impervious area shall be assigned ERUs. Each residential property shall be assigned one (1) ERU. Non-residential property shall be assigned ERUs based upon the amount of impervious area on the property divided by \_\_\_\_ sq. ft. The number of ERUs assigned to non-residential property shall be determined by the Director.
- C. In the event the owner and non-owner users of a particular property are not the same, the liability for the charges attributable to that property shall be joint and several.
- D. The Director shall prepare a City Credit Policy which sets forth available credits to reduce stormwater charges for non-residential customers with riparian lands, and for non-residential customers who have taken additional stormwater management steps which reduce the City's stormwater management costs.

### Section \_\_\_\_-\_\_\_\_ Payments

- A. Stormwater charges will be billed to the utility customer and shall be payable at the same time and in the same manner as water / wastewater charges. A stormwater

## Appendix B - Generic Example of a Stormwater Utility Creation Ordinance

utility bill will be established for those properties that do not receive a water / wastewater bill. Such charges shall not be payable in installments.

- B. The owner of any property, which is occupied by tenants, shall have the right to examine during normal business hours the appropriate records of the City to determine whether such fees and charges have been paid by such tenants.
- C. Delinquent stormwater charges may be placed as a lien upon the property as provided in Sections 66.0821(4)(d) and 66.0809, Wisconsin Statutes.

### Section \_\_\_\_ - \_\_\_\_ Adjustments and Credits

- A. A non-residential customer may apply for an adjustment to the ERUs assigned to his, her or its property if the customer believes the impervious area measurements on which the ERU calculation is based are inaccurate.
- B. Customers may apply for a credit to their stormwater charge if the property is eligible for a credit pursuant to the City Credit Policy.
- C. Procedure to apply for adjustments or credits.
  - 1. Any customer may submit a request for an adjustment or credit at any time. All such requests shall be submitted to the Director on forms provided by the City.
  - 2. The Director shall have the authority to develop and administer the procedures and standards for adjustment of ERUs or granting of credits as established in this section.
  - 3. The customer requesting the adjustment may be required, at his, her or its own expense, to provide supplemental information to the Director.
  - 4. Once a completed request and all required information is fully submitted, the Director shall have thirty (30) calendar days within which to render a written decision. The Director shall notify the requester in writing of the decision by first class mail addressed to the individual at the address listed within the request. Service is conclusive upon mailing.
  - 5. If a request is granted, stormwater charges shall be adjusted on a going forward basis.

### Section \_\_\_\_ - \_\_\_\_ Appeals Process

- A. Within thirty (30) calendar days after the date of mailing the Director's decision, the customer may appeal the Director's decision to the Board of Public Works by filing a written appeal with the City Clerk. The written appeal shall specify all grounds for the challenge and shall state the amount of stormwater charge that the appellant considers to be appropriate. The appeal must specifically address the Director's conclusions and not merely repeat the bases for the initial request. Failure to timely and properly appeal shall deprive the Board of Public Works of jurisdiction to hear the appeal.

**Appendix B - Generic Example of a Stormwater Utility Creation Ordinance**

- B. The Board of Public Works shall conduct a formal hearing at such time and place as designated in a hearing notice to the appellant, providing a minimum of five (5) business days notice to the appellant. In considering an appeal, the Board of Public Works shall determine whether the stormwater charge is fair and reasonable. The decision shall be based upon the evidence presented at the hearing. The Board of Public Works shall notify the appellant in writing of its determination by first class mail addressed to the individual at the address listed within the appeal. Service is conclusive upon mailing.
  
- D. Within thirty (30) calendar days after the date of mailing the Board of Public Works' decision, the customer may appeal the Board's decision to the Common Council following the process set forth in subsection A of this section. Failure to timely and properly appeal shall deprive the Common Council of jurisdiction to hear the appeal.
  
- E. The Common Council shall consider the appeal in the same manner as a new resolution, pursuant to its rules for procedure in existence at the time of consideration. The City Clerk shall provide written notice no later than five (5) business days to the address listed within the appeal of the time and place of the Common Council's consideration of the appeal. In considering an appeal, the Common Council shall determine whether the stormwater charge is fair and reasonable. The Common Council shall base its decision upon the information presented at its meeting. The City Clerk shall notify the appellant in writing of the Common Council's determination by first class mail addressed to the individual at the address listed within the appeal. Service is conclusive upon mailing.
  
- F. As a condition precedent to any adjustment or credit request, or any appeal, a customer must have paid in full all stormwater charges to the City.
  
- G. If an adjustment request is granted, stormwater charges shall be adjusted on a going forward basis.

**Section \_\_\_\_.** **Alternative Method to Collect Stormwater Charges.** In addition to any other method for collection of the charges established under this section, or subsequent resolution, such charges may be, and are hereby authorized to be levied and imposed on property as a special charge pursuant to Section 66.0627, Wisconsin Statutes. The mailing of the bill for stormwater charges to a property owner shall serve as notice to the property owner that failure to pay the charges when due may result in the charges being imposed pursuant to the authority of Section 66.0627, Wisconsin Statutes. The procedures contained in Section 66.0627, Wisconsin Statutes, shall govern such notice and further collection procedures.

**Section \_\_\_\_.** **Budget Excess Revenues.** The stormwater utility finances shall be accounted for in a separate Stormwater Utility Fund by the City. The Finance Director or his/her designee, shall prepare an annual budget, which is to include all operation and maintenance costs, debt service, capital, and other costs related to the operation of the

**Appendix B - Generic Example of a Stormwater Utility Creation Ordinance**

stormwater utility. The budget is subject to approval by the Common Council. Any excess of stormwater utility revenues over expenditures in a year will be retained by the Fund for subsequent years' needs of the stormwater utility.

SECTION 2. This ordinance shall be interpreted liberally to secure the ends sought hereby.

SECTION 3. If any provision of this ordinance is found to be illegal, the remaining provisions shall remain in full force and effect.

SECTION 4. This ordinance shall become effective on [DATE]

City of \_\_\_\_\_

By: \_\_\_\_\_

Mayor

ATTEST:

\_\_\_\_\_

City Clerk

APPROVED: \_\_\_\_\_

ADOPTED: \_\_\_\_\_

PUBLISHED: \_\_\_\_\_

**APPENDIX C**

**GENERIC EXAMPLE OF A STORMWATER UTILITY CREDIT POLICY AND  
CREDIT APPLICATION MANUAL**

**APPENDIX C  
EXAMPLES OF**

**Stormwater Utility Credit Policy and  
Application Manual**

## **EXAMPLE**

### **Stormwater Utility Credit Policy**

#### **I. Purpose and Scope**

The purpose of this Stormwater Utility Credit Policy is to encourage actions by property owners within the utility district that 1) reduce stormwater flow, and 2) reduce the municipality's costs in providing proper management of stormwater runoff. Credits to user fees will only be allowed when it can be demonstrated by the customer that a condition or activity on the property results in a direct reduction in costs for stormwater utility services. Those conditions and activities are specified in this policy document.

#### **II. Credit Structure**

For the purposes of generating applicable credit rates, the municipal stormwater management services, which are funded through the user fee, are divided into two categories.

<u>Credit Category</u>	<u>% of Utility Budget</u>
Category A (not credit eligible services)	32%
Category B (credit eligible services)	68%

Fees to support Category A programs are applied throughout the utility customer base, and credits are not allowed for these components. Category A costs are basic services required to conduct the stormwater management program throughout the municipality such as administrative and management tasks, street sweeping, leaf pickup, stormwater studies, etc.

Only the stormwater program costs associated with Category B are eligible for a credit. These costs are associated with the Utility's efforts to maintain the capacity of the stormwater conveyance system. Properties that meet the conditions described in this policy may be eligible for a portion or all of this credit.

The tasks included under each credit category, and the percent credit for each category under this policy, may be reviewed and modified on an as-needed basis. Modifications must be approved by Municipality Board resolution.

#### **III. Residential Properties**

A residential property's influence on the stormwater conveyance system is generally less than the influence of a non-residential property on a unit area basis. Although any best management practice installed by a residential property owner can improve stormwater runoff quantity and quality, the influence will be much less than that of a non-residential

property. Regardless, the Municipality wishes to recognize those residential property owners making an effort to improve stormwater conditions; therefore, the credit payment for an eligible residential stormwater management practice shall be enacted. Residential properties may receive a credit for their stormwater utility fee under one of the following conditions:

- A. Rain Barrel & Rain Garden Installation: For a single-family residential property, there will be a one-time credit of the property's annual stormwater utility fee for the first year, only, of a rain barrel and/or rain garden installation. The installations must meet the criteria described in the Credit Policy Manual.
- B. Riparian Properties: Properties that discharge stormwater from all or a portion of their property directly into the [NAME OF LAKES OR RIVERS], without entering a municipally owned stormwater conveyance system, may be eligible for a riparian credit. The credit amount will be pro-rated based on the percent of the property that is riparian.

*[Example: A single family residential property is 1 ERU of impervious area. 0.75 ERUs of impervious area discharge directly to the river; and 0.25 ERUs discharge to a municipal storm sewer or ditch in the ROW. This property would be eligible for a 75% of \$32.64 credit ( $\$32.64 = 68\% * \$48.00$ ). Therefore,  $\$15.36 + \$8.16 = \$23.52$  annual payment on 1 ERU with the credit.  $\{\$15.36 = 32\% * \$48.00 \text{ and } \$8.16 = \$32.64 - (75\% * 32.64)\}$*

Properties located on other creeks, streams, and/or ditches are not eligible for this credit.

#### **IV. Non-Residential Properties**

##### **A. Properties that Exceed Municipality Ordinance Flow Control Requirements**

This credit applies to all properties that provide privately constructed and maintained runoff flow control measures, or will provide privately constructed and maintained runoff flow control measures as a component of a land development process. The utility customer must submit documentation demonstrating that a management practice on their property exceeds the peak flow reduction criteria to the Department of Public Works (DPW). The amount of credit will be based on the prorated amount that the property is exceeding the requirements. See Section V and the Municipality's Credit Policy Manual for submittal requirements.

The amount of credit will be based on the following criteria:

1. Post-development flow must meet the minimum requirements defined in the DNR Administrative Code NR 152 and the Municipality's pending Stormwater Ordinance; and

2. Properties must reduce the flow from their property below the minimum flow control requirements for the 10-year design storm. All calculations shall use the 10-year, 24-hour, SCS Type II distribution rainstorm of 4.0 inches in 24 hours. Pre-development conditions shall be calculated using Table 1 criteria in NR 152.

The credit amount will be based on the percentage by which the property reduces their flow below the minimum flow control requirements. Credit calculations are for selected levels of control are provided in Table 1.

Based on 10-year Storm Event

Table 1						
If flow below the minimum requirement is:	0%	20%	40%	60%	80%	100%
Then, multiply by 68% eligible credit:	x 68%					
The utility fee credit is:	0%	14%	27%	41%	54%	68%

**B. Riparian Properties**

Properties that discharge stormwater from all or a portion of their property directly into the [NAME OF LAKES OR RIVERS], without entering a municipally owned stormwater conveyance system, may be eligible for a riparian credit. The credit amount will be pro-rated based on the percent of the property that is riparian.

*[Example: A property has 5 ERUs of impervious area. 3 ERUs of impervious area discharge directly to the river; and 2 ERUs discharge to a municipal storm sewer in the street. This property would be eligible for a 68 percent credit on 3 ERUs and a 0 percent credit on 2 ERUs.]*

Properties located on other creeks, streams, and/or ditches not identified above are not eligible for this credit.

Properties are not eligible for a credit for any BMPs that are required by local, state, or federal regulations.

**V. Credit Request Submittal Requirements**

**A. Non-Residential Properties**

The Director of Public Works, or the designee, shall review each credit request submittal for compliance with this policy.

1. Review Fee

- a. Prior to review by the Director, the property owner requesting the review shall pay a one-time review fee of \$200.00 per credit application.

2. Required Documentation

a. Application

The application request letter shall contain the following information:

- 1) Pin Number
- 2) Tax Parcel Number
- 3) Parcel Address
- 4) Owner Name
- 5) Owner Address
- 6) Amount and Type of Credit Requested

b. Owner Certification

The applicant shall provide survey points and elevation contours and/or written certification that the peak flow management practice(s) that is the subject of the credit has been constructed and is functioning in the manner indicated on the credit request calculations.

AND/OR

The applicant shall provide written certification that the percentage of parcels draining to riparian waters is correct and that drainage patterns have not been altered.

c. Operation and Maintenance Manual

The applicant shall provide for DPW review and approval, a manual for the operation, inspection, and maintenance of all management practices, to ensure that the practices will continue to function as designed.

d. Supporting Plans and Calculations

The applicant shall provide for DPW review and approval, any hydrologic/hydraulic studies, plans, and other supporting documentation required to demonstrate, to the satisfaction of the Director, that the measures taken meet the requirements for the credits requested. A Registered Engineer or Hydrologist, licensed in the State of Wisconsin, must certify supporting Plans and Calculations.

3. Approval Process

a. Director's (or Designee's) Review

The Director shall have thirty (30) calendar days to review credit applications, whereupon the Director may approve or deny the application as submitted, or provide comments for re-submittal. In the event of a re-submittal request, the thirty-day period referred to above shall begin again pending the receipt of all information requested.

b. Appeals

See Section \_\_\_ of the Municipality of \_\_\_\_\_ Municipal Code relating to the Stormwater Utility.

c. Annual Re-evaluation

All credits shall be subject to an annual review for compliance with the current year's credit policy. Credits may vary or be eliminated over time subject to the terms of the current year's credit policy. It is the responsibility of the billed customer to provide the Director with any and all changes to the conditions of the on-site management practices and conditions that may affect the credit rate for the site. Violations of the terms and/or conditions of the credit request may be subject to collection of utility fees retroactive to the date of the violation.

d. Retroactivity

Pending approval of the credit request, any and all credits will be granted retroactive to the date of the initial, complete credit request submittal. The Director shall determine whether a submittal is complete using the current credit request submittal requirements.

B. Residential Properties

The DPW shall review each credit request submittal for compliance with this policy.

1. Review Fee

a. No review fee is required.

2. Required Documentation

a. The applicant shall provide a letter of request containing the following:

- 1) Owner Name
- 2) Owner Address
- 3) Tax Parcel Number
- 4) PIN Number
- 5) Parcel Address

b. Owner Certification

The applicant shall provide written documentation that the management practice(s) has been constructed and/or installed and is functioning properly.

AND/OR

The applicant shall provide written documentation that the percentage of the parcel draining to riparian waters is correct and that drainage patterns have not been altered.

c. Owner's Manual

If the manufacturer supplied an owner's manual, the applicant shall provide a copy of the manual for the DPW.

d. Supporting Plans and Calculations

The applicant shall provide a drawing of the property showing 1) the location and dimensions of the on-site BMP(s); and 2) location, flow path, and size of the contributing impervious area for DPW review and approval.

3. Approval Process

a. Director's (or Designee's) Review

The Director shall have thirty (30) calendar days to review credit applications, whereupon the Director may approve or deny the application as submitted, or provide comments for re-submittal. In the event of a re-submittal request, the thirty-day period referred to above shall begin again pending the receipt of all information requested.

b. Appeals

See Section \_\_\_\_\_ of the \_\_\_\_\_ Municipal Code relating to the Stormwater Utility.

c. Retroactivity

Pending approval of the credit request, any and all credits will be granted retroactive to the date of the initial, complete credit request submittal. The Director shall determine whether a submittal is complete using the current credit request submittal requirements.

Approved by Municipality of _____
Municipality of _____ – Clerk: _____
Date: _____

**Example**

**Stormwater Utility Credit Application Manual**

**Department of Public Works**

Earth Tech, Inc., developed this document for exclusive use by the City of \_\_\_\_\_

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**Preface**

**Send Application Forms to:**

City of \_\_\_\_\_  
Department of Public Works  
Attn: Stormwater Utility Credit  
ADDRESS

**For Questions Regarding the Credit  
Application, Contact:**

NAME OF CITY STAFF  
EMAIL ADDRESS  
PHONE NUMBER

**Make Checks Payable to:** City of \_\_\_\_\_

**Application Procedure:**

The credit application procedure for the Stormwater Utility is summarized below:

1. Each applicant must complete the required forms and furnish the required information. Forms may be found with this application, or on the City web page: <http://www.ci.wi.us/>.
2. The Department of Public Works (Department) will conduct an initial review of Stormwater Utility Credit Application within thirty (30) calendar days of receipt of the application form and payment of fee. Application fees are one time and non-refundable.
3. Reviewers will check application forms for completeness and accuracy. If the application is found to be complete and accurate, a letter will be sent to the applicant notifying approval of the credit.
4. Application for any credit is an acknowledgement of the City of \_\_\_\_\_ 's (City) right-of-entry to inspect and verify the information submitted on said application.
5. If deficiencies are found during the review, a deficiency letter will be sent to the applicant's contact person. Upon receipt of additional information from applicant, the review will resume and be completed within thirty (30) calendar days of receipt of the additional information.
6. Pending approval of the credit request, any and all credits will be granted retroactive to the date of the initial, complete credit request submittal. The Director shall determine whether a submittal is complete using the current credit request submittal requirements.
7. If an application is denied, a letter explaining the reasons for the denial will be provided to the applicant.
8. The applicant has the right to appeal this decision, in accordance with the procedures outlined in Section XXX, City of \_\_\_\_\_ Municipal Code (adopted DATE), relating to Storm Drainage Regulation.

## **Chapter 1: Introduction**

The Common Council of the City of \_\_\_\_\_, Wisconsin, created a stormwater utility through ordinance adoption (Section XXX) in DATE. The Citywide stormwater utility was created to provide an equitable, stable funding source for the City's stormwater management services.

The primary revenue source for the Stormwater Utility is the fee charged to all developed property in the City. Stormwater Service Charges to a property are related to the amount of stormwater runoff from the property. The charge is based upon the amount of impervious area on each property. Typical impervious areas include sidewalks, driveways, roofs, patios, parking lots, and compacted gravel.

The impervious area delineations for each property are based on measurements from the DATE aerial photographs and site plans. Geographical Information System (GIS) was used to calculate the impervious area from the delineations. If a property owner believes the measurements for their property are not accurate, they may submit appropriate paperwork for review. The property owner should consult with the Department to determine the appropriate submittals to change the calculated amount of impervious area.

### **Utility Charge Rate for Residential Property**

A statistical sampling of residential properties within the City determined that an average developed single-family residential property has XXX square feet of impervious area. As a result, XXX square feet is used as the base billing unit or ERU (equivalent runoff unit) for the utility. Each 1-, 2-, or 3-family residential unit is assigned a rate of 1.0, 0.7, or 0.5 ERUs, respectively.

### **Utility Charge Rate for Non-Residential Property**

The charge for all other properties (commercial, industrial, government, tax-exempt, condominiums, etc.) is determined on a case-by-case basis according to the actual amount of impervious area on the property. The amount of impervious area is measured in square feet and divided by XXX. The result of that division is rounded to the nearest 10th and becomes the number of ERUs assigned to the property. The number of ERUs multiplied by the unit-billing rate as adopted by a Common Council resolution yields the annual stormwater service charge for that particular property.

The number of ERUs assigned to properties will remain fixed unless physical changes are made that alter the amount of the impervious surface area. In these cases, billing changes will be made automatically at the completion of construction. Typically, these changes will be triggered through the building permit process.

### **The Utility Fee Credit Policy**

The City of \_\_\_\_\_ has developed a system of credits for stormwater service customers who:

- (1) Discharge all or a portion of the stormwater directly into the NAMED WATER BODIES without sending it through a municipal stormwater conveyance system and/or...

(2) Have facilities or controls in place to temporarily store stormwater runoff from their property, thereby reducing the impact of flow on the drainage system.

This manual details the policies and procedures applicable to the stormwater service charge credit program.

## **Chapter 2: Credit Policy**

The purpose of the stormwater utility credit policy is to encourage actions by property owners within the utility district to: 1) reduce stormwater flows, and 2) reduce the utility district's costs in providing proper management of stormwater runoff. The term "property" or "properties" will refer to non-single and non-two family residential parcels. Credits to user fees will only be allowed when it can be demonstrated by the customer that a condition or activity on the property results in a direct reduction in costs for Stormwater Utility services.

### **Application Fee and Determination**

A credit application will not be considered complete and will not be processed unless accompanied by the application fee and all appropriate forms and information as required in this manual. The credit application fee is \$XXX. It is the intent of the Department to process applications within thirty (30) calendar days of submittal of the complete and correct application package. Billing adjustments required to implement credits shall be applied retroactively to the date the customer submitted a complete application. Adjustments shall be made by crediting the customer's stormwater service charge until any overpayment has been fully repaid. A pending application for credit shall not constitute a valid reason for non-payment of the current Stormwater Service Charges. In the case of new development, Stormwater Service Charges and the associated credits detailed herein do not apply until construction is complete and verified by the Department, or upon granting of conditional occupancy, whichever is earlier.

### **Riparian Property Credit**

Riparian property credit is available to properties that discharge stormwater directly into the NAMED WATER BODIES. Qualification requirements and application procedures for this credit are outlined in Chapter 3.

### **Post-Development Flow Control Credits**

Post-development flow control credits are offered to customers that maintain private runoff facilities or controls, such as detention or retention facilities, which significantly restrict stormwater runoff rates released from their properties. Post-Development Flow Control Credits shall be conditioned upon compliance with the design, operation, and maintenance requirements of all the applicable ordinances and codes of the City of \_\_\_\_\_, State, or Federal Permitting, and this Stormwater Credit Application Manual. Qualification requirements and application procedures for these credits are outlined in Chapter 4.

### **Maximum Credit**

The maximum aggregate credit to the Stormwater Service Charge of any individual property is XX% of its gross billing amount, regardless of how many individual credits for which the property qualifies. The credit level is based on the amount of utility budget expended on maintaining the flow capacity of the City's stormwater conveyance system. Developments must conform to all applicable ordinances and standards of the City of \_\_\_\_\_ to be credit eligible.

### **Chapter 3: Riparian Property Credit**

Properties that discharge stormwater from all or a portion of their properties directly into the NAMED WATER BODIES, without entering a City of \_\_\_\_\_ municipal stormwater conveyance system, may be eligible for a credit. The credit amount will be pro-rated based on the percentage of the property that drains directly to the NAMED WATER BODIES.

Properties located on other creeks, streams, and/or ditches, are not eligible for this credit.

This credit need only be applied for once, but can be reviewed if the property is redeveloped or re-graded.

#### **Application Requirements**

The completed Riparian Property Credit application must include a \$XXX application fee and the following information:

Plat of survey certified by a Wisconsin-Registered Land Surveyor, or as-built construction site plan certified by a Wisconsin Professional Engineer or Professional Hydrologist, indicating the following:

- a) The location of the NAMED WATER BODIES.
- b) Watershed breaks across the property.
- c) Layout of impervious surface areas on the property.
- d) Layout of the drainage system on the property, including location and elevations of natural and manmade features.
- e) Sufficient topographic data or elevations to verify general drainage patterns across the property.
- f) A calculation of impervious area (in square feet) for each delineated drainage area on the property.

See Chapter 5 for an example application for the Riparian Property Credit.

- b) Site plan(s) at a scale of 1"=100' or larger (i.e., 1"=50' or 1"=20' etc.) appropriate to display the following information clearly:
    - 1) Locations, dimensions, and characteristics of all drainage patterns and stormwater management facilities
    - 2) Location of all impervious surfaces including, but not limited to, structures, parking, driveways, etc.
    - 3) Soils
    - 4) Site topography
    - 5) Details of detention facility outlet structure(s)
    - 6) Diagram of watershed routing to the detention facility(s)
    - 7) As-built construction drawings verifying the stormwater management structural information.
  - c) Summary of runoff peak flow calculations for the 10-year, 24-hour rain event, by watershed, including:
    - 1) Existing flow rates
    - 2) Post-development flow rates without management
    - 3) Post-development flow rates with management
  - d) Calculations (and factors used for calculations) performed to determine existing, post-developed "managed," and post-developed "un-managed" peak flow control including, but not limited to:
    - 1) Time of concentration(s)
    - 2) Curve number(s)
    - 3) Watershed areas
    - 4) Watershed routing
    - 5) Engineered designs for all structural flow control management practices
    - 6) Stage-storage-discharge tables or curves for the detention facility(s)
    - 7) Tailwater impacts, if any
3. *Stormwater Ordinance and Construction Standards:* Appropriate documents showing that the City of \_\_\_\_\_ Stormwater Ordinance and Construction Standards in effect at the time of construction were met at the time of development. Retrofitting of existing structures is allowed to provide, or increase, the amount of credit for a property. As-built data shall be submitted for the existing or retrofitted structure before the credit will be applied. A Wisconsin Professional Engineer or Professional Hydrologist must certify the calculations.
4. *Statement of Certification:* The owner shall sign a statement certifying that information is correct and acknowledging that the credit determination will be based on information provided. A later determination that the application information was inaccurate may result in loss of credit.

**NOTE:** Developers are encouraged to apply for flow control credits on new developments as part of the City's normal development plan review procedures. The credits, as well as the Stormwater Service Charges, do not go into effect until the construction is complete or upon granting of conditional occupation. **Credits will not be in effect until as-built data have been submitted for new stormwater management facilities.**

See Chapter 5 for an example application for the Post Construction Flow Control Credits.

**Credit Application Example No. 1: Riparian**

**City of XXXX Stormwater Utility: Credit Application Form**

**Form 1 - Stormwater Service Charge Credit Application**

Credits Applied for (check all that apply):       Riparian       Flow Control

Applicant Information (Financially Responsible Entity): (Please print or type)

Name: XXXX Industries

Address: 1000 Main Avenue

City: XXXXX      State: WI      Zip Code: 54XXX

Contact Person: Isaac Industrial      Email: Isaac@Ind.com      Telephone: (XXX) 555-1234

Property Owner Information (If Different from Above):

Name: (same as above)

Address: \_\_\_\_\_

City: \_\_\_\_\_      State: \_\_\_\_\_      Zip Code: \_\_\_\_\_

Property Information:

Property Location/Address: 1000 Main Avenue

Parcel Identification Number (PIN): 2345678912      Property Size (SF) Acre: 200,000

Receiving Water's Name (if applicable): WATER BODY      Impervious Area (SF): 200,000

Brief Description of Stormwater Facilities at Location (if applicable): \_\_\_\_\_

Plan Review Information:

Has this project and its stormwater calculations been previously approved by the City?     Yes     No

If Yes, date of final approval of plan and calculations: \_\_\_\_\_  
*(If no copy is on file, City will notify Applicant to request a copy.)*

If No, provide copies of as-built plans and calculations showing the project meets minimum City requirements.

Please indicate the review information that you are attaching to this application:

- Narratives     Site Plans     Survey Plat with Topography     Runoff Calculations     Routing Calculations
- Stage/Storage/Discharge Tables     Outlet Structure Details     As-Built Plans     Maintenance Manual

Certifications:

The above information is true and correct to the best of my knowledge and belief. (This form must be signed by the financially responsible person if an individual, or if not an individual, by an officer, director, partner, or registered agent with authority to execute instruments for the financially responsible person). I agree to provide corrected information should there be any change in the information provided herein.

Isaac Industrial  
Type or print name

Isaac Industrial  
Signature

President  
Title or Authority

9-1-03  
Date

The following certification is required for approval of all credits for which a certified technical submission was required: The above information and the information on Form 2 was prepared either by or under the supervision of myself as the qualified professional and is true and correct to the best of my knowledge and belief.

Susan Surveyor  
Type or print name

Susan Surveyor  
Signature

WI-LS No. 123-1234567  
Professional License Type and Number

9-2-03      (XXX) 555-4321  
Date      Phone

**Credit Application Example No. 1: Riparian**

**Form 2 - Stormwater Service Charge Credit Application**

*(Form 1 must accompany this application form)*

Riparian Property Credit

- ① Total Gross Impervious Area: 200,000 (sf)
  - ② Impervious Area Draining Directly to Water Body: 70,000 (sf)
  - ③ Percent of Area Draining Directly to Water Body (②/① \* 100): 35 (%)
  - ④ Riparian Property Credit (③/100\*40%): 14 (%)
- (Maximum is 40%)

Post Development Flow Control

All stormwater management requirements were met at the time of construction:  Yes  No  
10-year

- ⑤ Percent of site's impervious area draining to Flow Control measure: \_\_\_\_\_ (%)
  - ⑥ Post-Developed 10-year flow without management: \_\_\_\_\_ (cfs)
  - ⑦ Post-Developed 10-year flow with management: \_\_\_\_\_ (cfs)
  - ⑧ Reduction of Flow Provided (⑥ - ⑦): \_\_\_\_\_ (cfs)
  - ⑨ Percent Reduction (⑧/⑥ \* 100): \_\_\_\_\_ (%)
  - ⑩ Flow Control Credit [(⑤ \* ⑨)/10,000\*40%]: \_\_\_\_\_ (%)
- (Maximum is 40%)

Credit Summary

- Riparian Property Credit: (④) 14 % (Maximum is 40%)
- Post Development Flow Control Credit: (⑩) 0 % (Maximum is 40%)
- Total Annual Stormwater Credit: (④ + ⑩) 14 % (Maximum is 40%)

- Credit Application Approved
- Credit Application Not Approved

\_\_\_\_\_  
Director of Public Works (or designee) (Print Name)

\_\_\_\_\_  
Director of Public Works (or designee) (Sign Name)

\_\_\_\_\_  
Date

**Credit Application Example No. 2: Flow Control**

**City of XXXX Stormwater Utility: Credit Application Form**

**Form 1 - Stormwater Service Charge Credit Application**

Credits Applied for (check all that apply):       Riparian       Flow Control

Applicant Information (Financially Responsible Entity): (Please print or type)

Name: Commercial Crafts  
Address: 100 Elm Boulevard  
City: XXXXX State: WI Zip Code: 54XXX  
Contact Person: Casey Commercial Email: Casey@Crafts.com Telephone: (XXX) 555-1234

Property Owner Information (If Different from Above):

Name: (same as above)  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Property Information:

Property Location/Address: 100 XXXX Boulevard  
Parcel Identification Number (PIN): 1234567891 Property Size (SF) Acre: 1,300,000  
Receiving Water's Name (if applicable): NA Impervious Area (SF): 1,200,000  
Brief Description of Stormwater Facilities at Location (if applicable): Detention Pond

Plan Review Information:

Has this project and its stormwater calculations been previously approved by the City?    Yes    No

If Yes, date of final approval of plan and calculations: \_\_\_\_\_  
*(If no copy is on file, City will notify Applicant to request a copy.)*  
If No, provide copies of as-built plans and calculations showing the project meets minimum city requirements.

Please indicate the review information that you are attaching to this application:

- Narratives     Site Plans     Survey Plat with Topography     Runoff Calculations     Routing Calculations  
 Stage/Storage/Discharge Tables     Outlet Structure Details     As-Built Plans     Maintenance Manual

Certifications:

The above information is true and correct to the best of my knowledge and belief. (This form must be signed by the financially responsible person if an individual, or if not an individual, by an officer, director, partner, or registered agent with authority to execute instruments for the financially responsible person). I agree to provide corrected information should there be any change in the information provided herein.

Casey Commercial  
Type or print name  
Casey Commercial  
Signature

Owner  
Title or Authority  
9-1-03  
Date

The following certification is required for approval of all credits for which a certified technical submission was required: The above information and the information on Form 2 was prepared either by or under the supervision of myself as the qualified professional and is true and correct to the best of my knowledge and belief.

Ean Engineer  
Type or print name  
Ean Engineer  
Signature

WI-PE No. 891-2345678  
Professional License Type and Number  
9-2-03      (920) 555-1237  
Date      Phone

**Credit Application Example No. 2: Flow Control**

**Form 2 - Stormwater Service Charge Credit Application**

*(Form 1 must accompany this application form)*

Riparian Property Credit

- ① Total Gross Impervious Area: \_\_\_\_\_ (sf)
  - ② Impervious Area Draining Directly to Water Body: \_\_\_\_\_ (sf)
  - ③ Percent of Area Draining Directly to Water Body (②/① \* 100): \_\_\_\_\_ (%)
  - ④ Riparian Property Credit (③/100\*40%): \_\_\_\_\_ (%)
- (Maximum is 40%)

Post Development Flow Control

All stormwater management requirements were met at the time of construction:  Yes  No  
*10-year*

- ⑤ Percent of site's impervious area draining to Flow Control measure: 100 (%)
  - ⑥ Post-Developed 10-year flow without management: 63 (cfs)
  - ⑦ Post-Developed 10-year flow with management: 15 (cfs)
  - ⑧ Reduction of Flow Provided (⑥ - ⑦): 48 (cfs)
  - ⑨ Percent Reduction (⑧/⑥ \* 100): 30.4 (%)
  - ⑩ Flow Control Credit [(⑤ \* ⑨)/10,000\*40%]: 30.4 (%)
- (Maximum is 40%)

Credit Summary

Riparian Property Credit: (④) 0 % (Maximum is 40%)

Post Development Flow Control Credit: (⑩) 30.4 % (Maximum is 40%)

Total Annual Stormwater Credit: (④ + ⑩) 30.4 % (Maximum is 40%)

- Credit Application Approved
- Credit Application Not Approved

\_\_\_\_\_  
Director of Public Works (or designee) (Print Name)

\_\_\_\_\_  
Director of Public Works (or designee) (Sign Name)

\_\_\_\_\_  
Date

**APPENDIX D**

**STORMWATER UTILITY TASK FORCE MEETING MINUTES**

## STORMWATER UTILITY TASK FORCE

---

Date of Meeting: August 31, 2004, at 4:00 p.m. in the Maple Room.

Members Present: Jim Brezinski, Sid Sorensen, Cherna Gorder (on behalf of Dr. Charles Skurka), Chuck Ghidorzi, Gary Wojciechowski, Maryanne Groat, Kristen Fish (on behalf of Mike Morrissey).

Also Present: Mayor Tipple, Hess, Lehmann, Wesolowski; Jim Bachhuber and Kurt Schoen of Earth Tech.

In compliance with Chapter 19, Wisconsin Statutes, notice of this meeting was posted and received by the *Wausau Daily Herald* in the proper manner.

### **Introduction of Task Force Members and Staff**

---

All those present introduced themselves.

Groat moved to nominate Brezinski to serve as Vice Chairman. Fish seconded. There were no other nominations. Motion carried unanimously.

Brezinski chaired the meeting since Chairman Ed Gale was not in attendance.

### **Purpose and Responsibilities of the Task Force**

---

Hess explained several months ago a selection committee interviewed consultants to study whether the City of Wausau should create a stormwater utility for the purpose of funding capital improvements and addressing water quality and NR216 issues. The City received a grant in the amount of \$90,000 to study creation of a stormwater utility. Earth Tech was selected and their contract is broken down into seven tasks. The contract is a phased approach with the first four tasks being considered and then a report made to the common Council. The majority of the consultant's expenditures will be in the last three tasks.

Hess asked that members keep an open mind throughout the process. The City will have to make expenditures for water quality issues, and determine whether they are funded through taxes or a utility. There are high costs deficiencies in the City's existing system and a system study is currently underway by Becher-Hoppe Associates. There will be costs associated with mandates from the federal and state governments. Having a stormwater utility would be a way to keep the costs off the general tax levy. It is a way of recouping revenue for expenditures. It will be up to the Finance Committee, Economic Development Committee and Common Council to determine if the costs will be funded with taxes or user fees. He explained over the next several months the Task Force should come to a conclusion to be reported to the other committees and Council. Persons from different entities were included on the Task Force in order to get input from the various interests in the community.

Hess explained it will be important for all segments of the community to be informed of what is taking place. The Village of Weston recently created a stormwater utility and took many steps to inform their residents of the new program, but when the bills were actually sent out there was an uproar from many property owners.

Bachhuber explained in 1994 one community in Wisconsin had adopted a stormwater utility program. Today 25 communities have adopted programs and about 25 more are in the process of studying them. Stormwater utilities have been in existence for 35+ years in the southeast, west and mid-Atlantic states, but in Wisconsin they are relatively new in the last ten years. Stormwater utilities address economic issues and distribution of costs in a fair and equitable manner. He explained Earth Tech's job is not to convince the City to create a stormwater program, but to give the City information to make the decision on how to fund a program. There is not a lot of choice on having a program, only on how to pay for it. There will be new costs the City has not had to face before.

### **Background and Overview of Wausau's Current Stormwater Management Program and Responsibilities**

Wesolowski explained stormwater management is currently handled in the Engineering Department and there are several phases being done—street designs include stormwater plans, stormwater plans are reviewed for commercial and residential developments, complaints from citizens are addressed. The City has a stormwater management ordinance which requires pre- and post-development stormwater management for quality and quantity. Department of Public Works crews sweep streets, pick up leaves, and clean and maintain detention basins, catchbasins and ditches. Erosion control is required and monitored. The City does incur capital expenses on street projects with the installation of storm sewer and curb and gutter.

Hess explained the City currently incurs costs for maintaining stormwater quality and the City must determine whether it will keep those costs on the tax levy or fund them as part of a stormwater utility.

### **Future Stormwater Regulations in Wausau**

Bachhuber explained the City will have to deal with regulatory programs. Most people do not think about stormwater management. The perception is that there is not much involved, but in reality there are many activities being done to manage stormwater. The City has focused on flow and flood water control and getting water to drain properly. When the snow melts or it rains the water carries whatever is on the ground and takes it to the nearest body of water. Many people think it goes to the Wastewater Treatment Plant to be treated but that is not the case. Stormwater runs to the Wisconsin River and carries sediment, salt, bacteria, fertilizers, etc. Most water pollution is non-point pollution, that is, run-off from city streets, and not from factories or wastewater plants. There are regulatory programs cities and villages will have to implement to reduce the amount of pollution in stormwater.

Bachhuber explained Phase I stormwater regulations were developed by the EPA in 1990 and the program was delegated to the Wisconsin Department of Natural Resources. Phase II regulations were developed in 1999, and the State's NR216 rules were adopted in August 2004. About 220

communities in Wisconsin fall under the Phase II permit program, and permits will be issued by mid-2005. The permit will tell cities what has to be done and when it will have to be done. Cities must respond back to the DNR on how they will comply with the permit. Phase II regulations apply to all communities in urbanized areas such as Wausau. The DNR is currently writing the permits for 120 communities and they will have general across-the-board statements about generic programs. Bachhuber explained there will be six minimum requirements of NR216. They will be the same for all communities but the level of commitment may be different.

Illicit discharge detection and elimination – Outfalls will have to be inspected on a regular basis to determine that no illegal dumping is taking place.

Construction site erosion control – Wausau's current erosion control ordinance meets the requirements of NR216. It is new for most communities but it is not new for Wausau.

Post-construction stormwater management – Wausau has an ordinance in place which requires what has to be done when a new site is developed to reduce the flow volume from sites. The ordinance is close to what the DNR is requiring but some changes will need to be made to the ordinance. It will require staff time and effort to implement the ordinance.

Public education and outreach AND public involvement and participation – The City will have to develop a program to keep property owners informed on how to reduce pollution in stormwater. Flyers, mailings, radio ads, web pages, etc. are ways to inform the public on what stormwater management is all about. Some communities have teamed up with school districts as a way to get the public involved and informed.

Pollution prevention – Bachhuber explained there will be a number of issues to consider to prevent pollution. The Public Works site will be inventoried to insure that any areas where operations occur or materials are stored cannot get accidentally dumped into the stormwater stream. An assessment will be done of existing urban land uses to determine how much pollution is coming from the City. This will be done by computer modeling. Pollution must be reduced by 20% by 2008 and by 40% by 2013. The City will have to retrofit what it has been doing for new development. Ponds and detention basins to hold and release water can be designed for new development. Bachhuber noted it is very expensive to find ways to reduce pollution from existing land uses in the City of Wausau. The permit will require constructing best management practices. Stormwater ponds will help to reduce pollution.

Bachhuber explained the City has already developed the storm sewer system map which is required by NR216. An annual report will be required which will involve a fair amount of staff time. The City will be required to pay an annual permit fee of \$6,500, and permits will be issued in 2005.

Tipple questioned the starting point for measuring the 20% reduction in pollution. Bachhuber replied it will start when the permits are issued in January, 2005. The City needs to develop a plan for each year to be 40% lower than it is today by 2013. Sorensen asked if the City has to do things to achieve the 20% reduction compared to what is in place today or compared to no controls. Bachhuber explained the City will get credit for things it is already doing, such as detention ponds, street

sweeping, and leaf collection. Other communities often can achieve the 20% reduction with modest expenditures, a couple hundred thousand dollars annually. Street sweeping might have to be done more often, more efficient sweepers purchased, changes made to the leaf collection schedule. It will cost considerably more, even in the millions, to achieve the 40% reduction over the next eight years. He stated he would be able to provide a better idea of costs for replacement and maintenance of infrastructure at the next meeting. Hess pointed out other communities have already come up with the front end costs and Earth Tech will be able to obtain information to help the City with its decision making process. It is important for the Task Force to have some guidelines of what the expenditures could be. Bachhuber stated the report being prepared by Becher-Hoppe will address pipe sizing and capacity issues and the need for improvements in the infrastructure.

Brezinski stated it is important for the media to be involved with this process as soon as possible. He suggested they be invited to the next meeting so they can get an understanding of the possible difficulties the City will be facing. Tipple agreed that community education is important. The City has been trying to improve the environment but the press needs to be involved so the community knows what the City is facing. Some people will not pay attention until they get a bill in the mail even after many attempts have been made to get the message out. Brezinski suggested also inviting representatives from surrounding communities to see if there is a way to work together. Biology teachers in the schools could be made aware of what is happening and they can incorporate it into their classes.

Bachhuber explained Earth Tech was involved with the process in the Village of Weston. Task force meetings were held for 6-8 months. There were mailings, cable television announcements, and public meetings. There were many efforts made to inform the public. At one meeting, 29 people attended. The complaints came in as soon as the first bills were mailed. He emphasized the importance of getting out as much information as possible.

### **Wausau's Budget Challenge**

Groat explained the City of Wausau is an established community with slow, steady growth. The decline in revenue from the State of Wisconsin has not been significant but it has been a struggle to balance budgets. The City has worked hard to control costs and reduce staff but every year there are increases in such things as utilities and health insurance benefits, and costs to maintain and improve its aging infrastructure. The City has been trying to control the tax rate but it is not competitive with outlying communities. Brezinski stated he has been very impressed with the staff and what has been done to keep costs down. He noted there are limited resources and it is unrealistic for people to think the City can provide everything they want without affecting the tax rate.

### **Discussion; Questions and Answers**

Sorensen agreed the Wausau tax rate is higher than surrounding communities. People who are looking to buy a new home look at taxes and fees. He explained in a subdivision he developed several years ago the City designed and installed the infrastructure, but in current subdivisions in Wausau developers are required to bear the full cost. These costs are then passed on to the new homeowners. When he has tried to sell new homes, people tell him they are too expensive. He noted

the City has been very helpful in so many ways and shifting costs off the tax levy may help to give developers a more competitive edge.

Fish explained she has received inquiries about developing in Wausau after Weston implemented their stormwater utility but she has explained the City is in the same process. She asked if once a stormwater utility is established if it goes on forever. Bachhuber replied he is not aware of any that later terminated after they had been established. It is similar to water and wastewater utilities. The revenue pays for the services. As long as services are provided there will be a fee. Hess explained there will be ongoing capital improvement expenditures to improve and maintain the system. Bachhuber pointed out other communities in the area will be under the same requirements as Wausau.

Groat pointed out part of the reason costs are greater for developing in the City is the amount of rock and geographics of the area. Construction costs reflect that. It is a beautiful area but there are additional costs.

Ghidorzi stated he is uncertain about the need to create a stormwater utility and was concerned about shifting costs. He felt it is important for the committee to know what the cost is for improving the system. If the bulk of the costs for improvements are needed in the older areas of the City, the expense should not be shifted to new developments in the Industrial Park or other areas. Effective stormwater management is occurring in the Industrial Park with detention and retention ponds. Businesses with large roofs and parking lots have already been required to comply with stormwater regulations and it would not be fair to go back to them and say they have to pay for improvements in the older areas of the City. He emphasized it is important for the committee to receive cost information as soon as possible. Hess stated the Becher-Hoppe report will be completed shortly. Ghidorzi explained his concern with expenses for the downtown. If businesses with very large roofs, such as Sears, Penneys and Younkers, have to pay an annual fee of \$30,000-\$50,000, he was afraid they will move elsewhere. Other facilities with large roofs and parking lots, such as the School District or Wausau Hospital, will be faced with very high annual fees. Bachhuber explained that is the type of information they are generating. They will determine the costs and procedures for managing stormwater facilities, and once those costs are known, a determination can be made on how to distribute the costs. He stated cost information will be available before any kind of recommendation has to be made by the committee.

Hess explained costs will be known after the Becher-Hoppe report is received. Aerial photos are needed to determine the total amount of impervious surface and that cannot be done for 4-6 months. He felt the City is already close to meeting the mandates for 2008 with the amount of work it currently does. He noted Weston may not be as close to the 20% because they do not effectively sweep streets or do leaf collection.

Brezinski stated the committee needs as much information as it can get to continue the discussions. Many debates will come before the committee and it will be difficult to allocate responsibility for disproportionate shares. Ghidorzi questioned what the agenda will be for the next meeting. Bachhuber explained they will work with Becher-Hoppe and City staff on developing program costs. They will prepare a simulation to get an idea of what the impact will be on individual properties.

Hess stated a base is first needed before credits can be determined for properties which have already constructed stormwater management facilities.

**Set Date and Time of Next Meeting**

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The Task Force will meet on the last Tuesday of each month at 5:00 p.m. The next meeting will be held September 28, 2004, at 5:00 p.m. in the Maple Room.

Meeting adjourned at 5:30 p.m.

## STORMWATER UTILITY TASK FORCE

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Date of Meeting: September 28, 2004, at 4:00 p.m. in the Maple Room of City Hall.

Members Present: Gale, Brezinski, Sorensen, Ghidorzi, Gorder , Wojciechowski, Groat, Werth.

Also Present: Mayor Tipple, Hess, Lehmann, Wesolowski; Jim Bachhuber and Kurt Schoen of Earth Tech.

In compliance with Chapter 19, Wisconsin Statutes, notice of this meeting was posted and received by the *Wausau Daily Herald* in the proper manner.

Gale explained the Task Force's objective for the next several months will be to review where the City is headed, how it will get there, and what it will cost. There will be discussions to determine whether stormwater needs will be managed with a stormwater utility or through the general tax levy. The Task Force consists of non-profit organizations, developers and Council members so there is input from the various segments of the community.

### **Review Existing Wisconsin Communities with Stormwater Utilities and Discuss Rates; Review ERU Data; Review Program Assessment Progress and Data; Discuss Rate Structure to Support Stormwater Program**

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Bachhuber explained he will provide general background information on stormwater utilities. No specific data has been prepared for the City of Wausau at this time. He noted stormwater management is not just pipes that run under the streets. It includes erosion control, new development management, leaf pickup, street sweeping, capital projects, and non-capital improvements. In the past much of the City's effort has been geared to managing flood control.

Bachhuber explained stormwater services are currently funded from the general property tax levy, TIF funds or bonds. Taxpayers pay for the services based on the value of their property, and schools and non-profit property owners do not pay for services because they do not pay taxes.

Communities are looking for new approaches to funding because the development of land results in more stormwater runoff and pollution. Existing storm sewer systems need continual upkeep and repair. Some of the City's systems are 50-60 years old and large capital project costs may be needed to maintain them. Gale asked Bachhuber if he will be providing information on the amount of infrastructure maintained and repaired by the City each year, and what should be upgraded each year. Bachhuber explained some of those questions can be answered after staff reviews the storm sewer capacity study which was just completed by Becher-Hoppe Associates. Marquardt indicated costs can be compiled of what the City has spent in recent years.

Bachhuber explained new stormwater regulations are also causing communities to look at new funding sources. In 2005 approximately 220 communities in Wisconsin, including Wausau, must take steps to meet new regulations. Communities are also facing potential decreases in state revenues and must make budget decisions. Groat agreed the cuts in state shared revenues have had an impact on the City and it is difficult to make up the revenue from other sources.

Bachhuber stated the City is facing increased costs and regulation requirements. Options include decreasing City services, raising taxes, or finding an alternative revenue source. Some cities have turned to developing stormwater utilities. With a stormwater utility customers pay a fee for services, similar to a sewer and water utility. The fee pays for the services provided by the utility. The fee is based on stormwater runoff generated from each customer. The service provided is the safe conveyance and treatment of stormwater.

Bachhuber pointed out there are currently about 25 communities in Wisconsin with stormwater utilities, and he was aware of about 20 more which are considering a utility. With a utility, charges are based on the services provided by the city and each customer's stormwater contribution. Assessing the program needs is the first step in forming a utility. A budget is determined for the various elements of a program—program management, engineering/planning, inspection/enforcement, operations and maintenance, capital projects, and future needs. Next, the customer fee system is determined—how to distribute the cost to property owners. 95% of communities base it on the impervious area of a parcel—the amount of roof space, parking lots, driveways, patios, etc. Residential properties are analyzed to calculate the average impervious area for a single family home. The average area equals one Equivalent Runoff Unit (ERU). The ERU represents a “Unit of Service”. After this ERU is determined, the ERUs for other properties can then be calculated.

Gale noted schools and industrial properties are very different from residential properties. He questioned if properties can be evaluated to determine a unit for industrial and residential properties.

Hess explained he was contacted by an individual who questioned why he would have to pay a fee because he lives on a street with no curb, gutter and storm sewer, and the ditches flow to a wetland area. Bachhuber noted there will always be exceptions. The most basic concept of a stormwater utility is that it has to be fair and equitable. Utilities can accommodate properties which are on the river, for example, to reduce the fee since the property does not contribute to the system. However, he noted the properties should still be charged a fee because the City will still have costs to comply with regulations and provide other stormwater program services. There will be a base line cost and adjustments can be made from that cost. Sorensen felt some consideration will have to be given for commercial developments which have provided detention ponds. Bachhuber explained there are two situations to account for—riparian lands and those which are already doing something.

Bachhuber continued his presentation by explaining every non-residential property will be measured using air photos to determine how it relates to the ERU number. The impervious area includes the house, patio, garage, driveway and property sidewalks. It does not include the street and public sidewalk. A residential average will be determined, and he used a number of 2,800 square feet for example purposes only. A typical non-residential ERU measurement would be determined by taking the total impervious area of the property and dividing it by 2,800 square feet, to yield the ERUs.

He explained an option for residential properties would be to classify them as small, medium and large. The fee for a home smaller than average would be equal to  $\frac{3}{4}$  ERU, a medium or average home would be one ERU, and a large home would be  $1\frac{1}{4}$  ERU. It would involve more administrative time and cost because whenever a change is made—a driveway is widened or garage expanded—someone would have to track it.

Bachhuber gave an example of an ERU analysis wherein single-family and other residential land uses comprise about two-thirds of total properties. Single-family homes would support two-thirds of the program costs even though they generate about one-third of the total runoff. The annual program budget would be divided by the total number of ERUs to come up with the rate per ERU per year. He showed ERU rates from communities in Wisconsin that range from a low of \$12 in Lake Delton to over \$90 in Garner's Creek. Most communities are in the \$40-\$55 range. Hess felt the rates may be misleading because they might not reflect the entire cost. A portion of costs may be funded by the tax levy. Bachhuber explained most communities fund 100% of their costs through utility fees. He noted Oshkosh is low because they do not support 100% of their program through the utility—one half is on the property tax levy and one-half is utility fees. Lake Delton is low because they have a small population but a huge commercial base. Garner's Creek is experiencing very high capital needs and it is a rural community so the ERU is high. If a community finds their program costs put them on the high end of the scale, they may decrease program costs to get in the middle.

Bachhuber explained part of forming a utility includes developing a system to account for unique situations, such as for riparian properties and those with private on-site stormwater management facilities. Gale pointed out the City has required some developers to construct detention ponds which are then turned over to the City for ownership and maintenance, and he asked if a credit would be allowed in those situations. Bachhuber stated his personal answer would be no, that it is part of the cost for developing in Wausau. If they want to continue to maintain the pond then there could be a credit. Some communities have said a credit will be allowed if a new development exceeds the minimum requirements, but the developer has to go beyond what is required.

As far as riparian properties, Bachhuber explained in Eau Claire a property owner on the river appealed their fee claiming their runoff does not enter the storm sewer system. The case went before the Public Service Commission and the city and individual came up with an agreement for what fee should be supported by the property and what fee should be alleviated. Brezinski asked if that case will set a standard and Bachhuber felt that it would. The utility incorporated a credit policy in their program. A certain amount of money is spent to keep a system flowing efficiently, such as street sweeping and leaf pickup. The portion attributable to capacity programming could be prorated out.

Bachhuber explained how utilities fit into a city organization. Most are overseen by the common council or utility commission and administered by the Department of Public Works. Billing may be done through the sewer and water utility. Some communities collect through the property tax system, but that would involve entering non-profit organizations, churches and schools which do not currently receive a tax bill.

He explained the benefits of a utility are that it is a fair and equitable way to distribute costs based on how much runoff is generated. Exceptions should not be made for churches, schools, or the YMCA, for example, because they "do good work". They have to be charged because they generate stormwater. Gale pointed out a fee charged to the School District is then charged back to City of Wausau taxpayers through school property taxes. The cost for maintaining a commercial developer's detention pond is passed on to the taxpayers. He expressed his concern about charging a fee to County and School District properties which then will have to be paid by City taxpayers. Sorensen pointed out Wausau supports the Wausau School District but so do residents of the Town of Rib

Mountain, Stettin and others. This is a way to spread out the cost to everyone who supports the schools. He felt it is a fair and equitable way to recover the costs.

Schoen pointed out a utility fee is not a new thing. People are accustomed to paying their sewer and water fees, electrical charges, etc. These kinds of fees are charged to everyone who uses a system. A stormwater utility requires a change in mindset on how costs for a service will be paid.

Bachhuber explained a further benefit of a stormwater utility is that it provides a dedicated and stable source of funds. It eliminates budget competition with other municipal services, it funds the entire program costs, and homeowners pay less than commercial properties.

He pointed out the disadvantages of a utility. It is a new concept, a change in the status quo, and stormwater management is a "hidden" infrastructure. There will be additional administrative costs but he pointed out communities with existing stormwater utilities operate them with current staff, primarily in the Department of Public Works. It was not necessary to hire additional employees. New properties will be paying a fee, such as schools and churches, and many commercial/industrial properties will pay more.

Bachhuber explained the City's next step is to evaluate and document its current and future stormwater program needs. The Becher-Hoppe report will provide a guideline of needs and costs. Regulatory costs to comply with the program requirements must be determined for the next 7-10 years. The impervious areas must be measured in order to determine the customer base. The City has much of the data available to determine the ERU and what the rate would be per ERU to support the program. When all the information is compiled the Task Force will be able to discuss options and make recommendations. The Common Council will then determine what is best for Wausau.

Brezinski explained Bachhuber has stressed this has to be fair and equitable. It will be a change in the status quo but most communities are becoming more accustomed to fees. He noted at one time there were no fees charged in the schools but now many fees are charged for sports or other activities for the students who participate in them. The guiding principle to be followed in this process is that it will be fair and equitable.

Gale indicated the City must comply with state and federal mandates and the issue is how the cost will be funded. Wisconsin has a reputation for being a high tax state and he did not want it to become a high fee state as well. He noted any charge to the hospital will be passed on to patients and insurance companies. If fees become too high for developers, they may look elsewhere for more attractive areas for their developments.

Hess explained the lifeline of a community is economic development. Wausau needs to remain competitive with Weston which has a stormwater utility. If the City puts stormwater costs on the tax levy, then Weston has the competitive tax levy edge. He stated he would support fees.

Brezinski did not think this is a bad mandate. He does not want the City to pollute the environment and the DNR has said everyone has to play by the same rules. Homeowners may look favorably on a community that actively takes steps to protect the environment.

Ghidorzi asked if NR216 is being used as an excuse for doing this or if there is a real need for NR216. The City is meeting some obligations now. Bachhuber explained the City has to determine what must be done in the next ten years to meet future obligations. For some communities the cost has been less than \$1 million and for others it is as high as \$10 million to reach pollution reduction required by regulations.

Sorensen explained the City has to try to keep the tax rate down and still be competitive with neighboring communities. Fees collected through a stormwater utility would not be included in the tax rate, and he was concerned the City may then look for ways to increase the rate because it is "down". Gale did not think anyone on the Council would look for a way to increase the tax rate if it had been reduced through the creation of a stormwater utility. Bachhuber pointed out the cost may come off the tax rate but other costs, such as health insurance and electrical costs, go up every year. Communities have made a commitment that they do not fill a void in the tax rate when a stormwater utility is created. Schoen indicated any future decreases in state share revenue will also affect tax rates.

Ghidorzi pointed out commercial developments are many times larger than a residential property and they will be faced with huge stormwater fees. Bachhuber agreed that some large developments could pay tens of thousands of dollars per year. Wojciechowski explained a number of entities, including the Hospital, have spent a great deal of money to manage stormwater through detention ponds so the City's system does not get overloaded. They will be faced with a huge fee after being a "good neighbor" for years. He felt the hospital and School District will be the hardest hit. Gale explained that is why representatives of the School District, Hospital and developers were included on the Task Force, however, for something to be fair and equitable, it has to be applied across the board for everyone. Wojciechowski agreed the program needs to be fair and equitable, but it also needs to be fair and equitable to those who have made stormwater management efforts for years.

Ghidorzi noted a fair and equitable system based on use is a very gray area. If a detention pond is not overflowing into the municipal system, the storm sewer system is not being used. The industrial park has a street system but stormwater does not enter the City's storm sewer system. It goes into detention ponds and the river. Hess stated that is why a fee is a better way to fund stormwater management. A credit can be allowed for those entities which have made and are making efforts to control stormwater runoff. If the program is funded by taxes, those entities would pay taxes to fund the system just like everyone else. Hess noted the program can be set up to allow exceptions and include an appeal process.

Brezinski stated the Task Force needs to cover as many details as it can. He liked the idea of classifying residential properties as small, medium and large. The program has to allow for many variables and allow for the possibility of credits.

Ghidorzi asked if NR216 reflects the pollution being received from the urban area rather than industrial and retail areas. If the Becher-Hoppe report indicates improvements need to be made in older residential areas and not outlying areas, he asked how it is fair and equitable to charge the whole community to pay for a specific area. Gale pointed out the older areas built the tax base for infrastructure as it moved out. Taxes from these homes were used to help the City grow.

**Set Date and Time of Next Meeting**

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Hess stated Earth Tech and City staff will need several months to review the Becher-Hoppe report and compile the additional data and cost information needed for the Task Force to continue discussions. The next meeting was scheduled for Tuesday, January 18, 2005, at 5:00 p.m. in the Maple Room.

Meeting adjourned at 6:30 p.m.

## STORMWATER UTILITY TASK FORCE

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Date of Meeting: February 22, 2005, at 4:30 p.m. in the Maple Room of City Hall.

Members Present: Gale, Brezinski, Groat, Sorensen, Fish (for Morrissey), Chris Budzinski (for School District).

Also Present: Gehin, Wesolowski, Lehmann, Marquardt, Mayor Tipple; Jim Bachhuber and Kurt Schoen of Earth Tech.

In compliance with Chapter 19, Wisconsin Statutes, notice of this meeting was posted and received by the *Wausau Daily Herald* in the proper manner.

Gale explained the Task Force has not met since September 2004 because an analysis of information had to be done and the Becher-Hoppe study was reviewed. He hoped a recommendation would be forwarded to the Common Council in the fall. He reminded those present that the City must comply with regulations established by the EPA and administered by the WisDNR. The issue is not "if" the City will comply but "how" the City will comply with the regulations.

Gale stated Fr. David Klutterman had been appointed to the Task Force as a non-profit representative but he has withdrawn and a replacement will be needed. Joe Gehin should be contacted if anyone has a recommendation for a replacement.

### **Approve Minutes of Previous Meeting**

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Brezinski moved to approve the minutes of the previous meeting. Sorensen seconded. Motion carried.

### **Background/Overview of Previous Meetings**

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Wesolowski explained the City received proposals and conducted interviews for a firm to perform the stormwater utility study. Earth Tech was selected because of their extensive experience and background. Their services are being partially paid with a grant from the DNR. The Task Force held meetings in August and September. At the first meeting the Task Force discussed the City's current stormwater management program, how the storm sewer system and ditches are maintained, enforcement of the stormwater management ordinance, leaf pickup and street sweeping. Stormwater management is not just about pipes; there are many other aspects. Discussions also took place on new stormwater regulations including NR216 and 151 which will influence future costs. Wausau will be faced with budget challenges. There will be more expenses in the future which will have to be funded through the tax levy or a stormwater utility.

Wesolowski explained at the second meeting there was discussion on existing stormwater utilities in Wisconsin, including the newly created one in the Village of Weston. Utilities determine Equivalent Runoff Units (ERU) to set a rate. For example purposes, Earth Tech had calculated an average residential unit would have 2,800 square feet of impervious area, and a residential property

would be one ERU. Annual rates in other communities range from \$40 to \$120 per ERU per year for the stormwater utility. Using the base of 2,800 square feet for an ERU, a commercial property with one-half acre of impervious area would equal 10 ERUs, and at rate of \$55 per ERU, for example, would pay a fee of \$550 per year. The Task Force has not yet discussed setting rates because necessary information was not yet available. The City currently knows what it costs to sweep streets and install storm sewer because these have been ongoing activities. The City does not yet know what it will cost to implement the new regulations or what it will cost to clean up stormwater. More information on future costs will be known after Earth Tech completes the City-wide urban pollution loading analysis.

Gehin stated the Task Force meetings are very important and difficult decisions will have to be made. Complying with regulations will have an impact on the budget. Creating a stormwater utility does have some merit but it will have to be "sold" to the Common Council and community.

### **Stormwater Pollution Modeling and Update on State Stormwater Regulations**

Bachhuber explained the DNR will be issuing a regulatory permit which will require Wausau to reduce stormwater pollution 20% by 2008 and 40% by 2013. Meeting the requirements of the permit will impact future stormwater budgets, and a future stormwater budget may be influenced by creation of a stormwater utility. The permit addresses stormwater quality and pollution control management but does not address flood management issues.

The standard procedure to conduct the analysis for regulatory compliance is done using a computer model called SLAMM (Source Loading and Management Model). It simulates stormwater pollution coming from the urban area. It accounts for land use, soils, management practices, drainage type, annual rainfall, and pollutant sources. The stormwater pollution load or loading rate (pounds per year) is determined. Bachhuber explained when they predict pollution, it is the pounds of sediment per year from roofs, streets, parking lots, etc. that end up in the Wisconsin River.

Bachhuber explained the City and Earth Tech created GIS files to determine current land uses. A land use map was prepared according to a pollution loading model. They looked at how much pollution is coming from land under "no control" conditions. Another map showed the annual sediment loading per acre. In the City of Wausau, land use is 58% residential, 11% commercial, 13% industrial, 13% institutional, and 6% parks. However, stormwater pollution sources under a "no controls" condition is 39% residential, 20% commercial, 29% industrial, 10% institutional and 2% parks. Residential areas have more grass and more pervious surfaces for water to soak in the ground. Fish asked if these results are an industry standard or actually based on Wausau. Bachhuber replied the information was prepared for Wausau based on land use, soils, rainfall, etc. He noted 11% of the commercial land use accounts for 20% of total pollution, and this is typical for many communities. The drainage basin map shows where geographically most of the pollution is generated and it corresponds to the density of the land use. In order to reduce pollution, the City will have to look at the areas which produce the most pollution. He also noted that areas in the Industrial Park, while not yet developed, are being shown as developed because it is anticipated the development will take place. They calculated a sediment load of 2,111,698 pounds per year based on land uses. This

is the regulatory starting point from which the City needs to reduce pollution by 20% by 2008 and 40% by 2013.

Bachhuber explained the City does have existing stormwater management controls—street sweeping, roadside grass swales, and detention ponds. The City sweeps 122 street miles weekly and 185 street miles twice a year. The more the streets are swept, the more pollution control will be achieved. The 28 street miles of grass swales help to reduce pollution. The City has 31 existing detention ponds treating 580 acres of land.

### Next Steps

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Earth Tech's next steps will be to finish the analysis of existing controls. Bachhuber felt the City might be close to the 20% goal but not 40%. Using SLAMM they will identify the best management practices to reach the 20% and 40% goals. They will estimate the costs for future best management practices and what is needed for flood control. They will adjust the stormwater program budget and see what it does to potential utility rates. Sorensen asked if they will have information showing what the cost of a utility will be over what the current expenses are, and what additional expenses will be needed. Bachhuber replied that information will be part of the budget they will prepare and present at the next meeting.

Brezinski noted there is a disproportionate rate of the amount of pollutants created by commercial properties. The 11% commercial properties generate 20% of pollution, almost twice the rate. At a previous meeting the Task Force discussed the equity of the program. He asked if other communities have formulas in place to take that into consideration. Bachhuber stated it is not common but it has been done and is being proposed in more Wisconsin communities. Most are based on impervious area only. The issue is the quantity and quality of water. A parking lot will create more water and dirtier water. Using the impervious area accounts for both issues. Schoen explained it is not expensive to determine a rate based on a residential parcel but it would be difficult to determine a rate for each individual parcel. Brezinski asked if the rate can be reviewed on an annual basis. Schoen explained a great deal of work would be required if individual properties have to be re-evaluated after installing or constructing something that increases the impervious area.

Tipple asked if any communities in the state have combined their resources or utilities. Bachhuber explained he knew of two towns and a village which have a joint utility because their boundaries are in the same drainage area. He was not aware of an entire city combining with a village or town, but he indicated there is no legal reason why it cannot be done. Other communities have agreements or memorandums of understanding to do permit compliance activities. Waukesha and several other communities are cost sharing the informational education program requirement of the permit. Weston, Rib Mountain, Rothschild, Mosinee and others in the area will be permitted communities and it may make sense for area communities to combine their efforts to develop the informational education program. It is something outside the utility issue but is related.

Tipple questioned the accuracy of the modeling. Bachhuber stated it is the best they have and the best the DNR has. It measures where the pollution comes from and how it can be controlled. It is a good

tool for that purpose. It may not represent what a monitored number would give, but it gives a very good idea based on conditions and is a more economical way of doing it.

Brezinski asked if funds are available if cities are faced with having to make expensive improvements to remediate problem areas. Bachhuber stated there are grant monies for construction aspects, and loan programs are also available. Wesolowski stated the grant programs are competitive and cities have to apply for the funds.

Bachhuber had a draft of the permit which will be issued by the DNR by mid April. The permit will indicate what the City has to do for public education, public involvement, pollution prevention, pollution reduction, etc. The City will then prepare a Notice of Intent which tells the DNR what will be done to accomplish those things. The initial steps are primarily administrative and low cost. Schoen indicated the permit schedule will indicate what has to be done and when it must be completed.

Gale stated if a utility is created the costs could be shifted from the tax levy, or costs could be covered by a combination of utility fees and tax levy. He again stated the issue is not a matter of "if", it is a matter of "how" the City will comply. The City may find itself in very good shape as far as meeting the 20% goal and it may not have to do anything significant for a few years.

The next meeting of the Task Force was scheduled for Monday, April 4, 2005, at 5:00 p.m. in the Maple Room.

Brezinski moved to adjourn the meeting. Sorensen seconded. Motion carried unanimously. Meeting adjourned at 5:35 p.m.

## STORMWATER UTILITY TASK FORCE

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Date of Meeting: April 4, 2005, at 5:00 p.m. in the Birch Room of City Hall.

Members Present: Gale, Brezinski, Baumgardt, Sorensen, Ghidorzi, Groat, Morrissey, Dennis Wald (School District).

Also Present: Gehin, Wesolowski, Lehmann, Marquardt, Mayor Tipple; Jim Bachhuber and Kurt Schoen of Earth Tech.

In compliance with Chapter 19, Wisconsin Statutes, notice of this meeting was posted and received by the *Wausau Daily Herald* in the proper manner.

Gehin stated he has contacted some non-profit organizations to see if anyone is willing to serve on the Task Force. Dennis Wald is now the designated representative for the Wausau School District.

### **Approve Minutes of Previous Meeting**

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Brezinski moved to approve the minutes of the previous meeting. Baumgardt seconded. Motion carried 7-0.

### **Results of Pollution Modeling: Updated Stormwater Management Budget**

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Bachhuber explained they have calculated what the City's pollution control estimated costs will be for operations and maintenance, engineering, repairs, flood control, etc. (Attached to the minutes are the handouts distributed by Earth Tech.) Handout #1 shows where the stormwater pollution comes from—commercial, industrial, residential, etc. They have calculated a “starting point” of 1,127 tons of sediment for meeting NR 216 pollution reduction requirements (which must be reduced by 40% by 2013). Gehin explained this figure was determined with computer modeling. It is not based on what is actually coming from parking lots, roofs, streets, etc. Sorensen asked if the 1,127 tons is before any of the City's pollution reduction efforts are taken into account, and Bachhuber replied it is the number without any current management measures.

Bachhuber explained Handout #2 is a summary of the TSS (sediment/pollution) reduction compared to “no controls”. Earth Tech has worked with staff to determine what is currently being done in the City and what needs to be done to reach the 40% goal by 2013. The City's existing swale drainage accounts for an 11% reduction and is a more effective way to reduce pollution from stormwater because the water soaks into the ground rather than going directly to the storm sewer system. Street sweeping accounts for another 11% reduction. The City's existing wet detention basins in the Industrial Park and other areas account for an 8% reduction. These basins receive run-off from drainage areas and collect sediment. These three measures—swale drainage, street sweeping, wet detention basins—represent a 30% reduction from “No Controls”, and surpasses the 20% reduction goal the City would have to achieve by 2008.

Gehin asked if the City's leaf pick-up program is a factor in determining pollution reduction, and Bachhuber replied it is not. The tools do not allow them to account for that in pollution control

practices and the City does not get credit for it. Schoen pointed out it does fall under NR216 as far as what the City does but it does not count toward the total suspended solid program.

Ghidorzi asked how street sweeping efforts are analyzed. Bachhuber explained the primary factors are frequency and times of year. Ghidorzi asked if what is being swept up is important, such as sand and salt from the winter. Bachhuber stated it is not. There are baseline assumptions on conditions of streets based on climate, land use and traffic patterns. The amount of sand being spread is not one of the factors in the modeling.

Gehin explained the street sweeping program is already underway to collect winter sand, and street sweeping will continue through leaf pickup in the fall. The downtown streets are swept once a week, and the majority of other streets are swept once a month. Further information about the street sweeping program will be obtained from the Department of Public Works and forwarded to Task Force members.

Wesolowski explained the DNR requires a 20% reduction in pollution by 2008. From what the modeling shows, the City has already met that figure and will not have to spend money other than for what is currently being done. Bachhuber stated that spreading costs over a number of years will have less of an impact than if things have to be done in a single year. A 30% reduction has been achieved by what the City is doing right now, but those are the easiest pollution control efforts. It gets harder to reach the 40% goal. Less land is available and the measures cost more.

Referring again to Handout #2, Bachhuber explained a 1% reduction can be achieved with the wet ponds to be constructed under the upcoming USH 51/STH 29 interchange project. The City's cost share is approximately \$290,000 for these ponds. The ponds will serve the USH 51/STH 29 corridor and interchange, Menard's, the hospital, Wausau Insurance, and an area off Stewart Avenue by O'Malley's. These efforts will account for 14 tons of sediment control per year.

An additional measure to reduce pollution by 2% would be the conversion of six existing dry ponds to wet detention basins at a cost of approximately \$428,000. Another 7% reduction could be achieved with 10 new or enlarged wet ponds, 50 acres treated with manufactured best management practices, 60 acres treated with infiltration swales, and 22 acres treated with biofiltration (rain gardens). The estimated cost for these measures is high, approximately \$2,006,000. Bachhuber noted that these costs do not include land acquisition. It is an estimate of capital costs only. He felt these are reasonable cost estimates for regulatory control compliance between now and 2013.

Ghidorzi stated that Scenario 5 and 6 on Handout #2 seem to occur in outlying areas, and he asked about urban solutions. Bachhuber stated these are urban and that is why the cost is so high. The most impervious areas are in the downtown, shopping centers, industrial areas and other highly developed areas. The residential areas account for less impervious areas.

Morrissey asked if the estimated costs are in today's dollar amounts and Bachhuber replied they are. The longer the City waits to make improvements, the more it will cost.

Gehin explained stormwater measures are implemented as additional development takes place. Improvements have to be made in existing, older areas of the City. Schoen pointed out it is expensive to implement pollution control measures in established residential areas.

Gehin stated he was pleased to see that the City is currently beyond the 20% requirement. Bachhuber explained that many communities have work to do and may be faced with high capital costs to reach the 20% milestone.

Brezinski asked what the last three scenarios on Handout #2 will entail. Bachhuber explained negotiations will have to take place with property owners because the City may not currently own the necessary property. Parking lots may have to be regraded to drain stormwater to landscape features before it enters the storm sewer system. Pumping systems may be a possibility but it is expensive and they try to avoid any mechanical treatment processes.

Gehin explained money will have to be spent in future years to clean out ponds. Sorensen asked how pond sediment is disposed of, and Bachhuber replied it is disposed of the same as street debris, it goes to the landfill.

Ghidorzi noted street sweeping accounts for a large percentage of pollution reduction and he questioned if more frequent sweeping would increase the percentage. Bachhuber explained the data shows sweeping more frequently than every other week does not provide a good return for the effort. Rains come more often to wash off dirt. The City is at the optimal level right now.

#### **Estimated Rates if Utility Funding System is Used**

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Bachhuber explained Handout #3 shows the annual budget and rate estimate for the overall program. Figures are based on DPW budgets for non-capital items. It shows current debt service and future non-capital needs. Items 1 through 5 are currently being done by the City. Item 7a reflects a capital cost of \$464,300 for flood management efforts which were identified in the recent study done by Becher-Hoppe Associates. Item 7b reflects future capital needs in the amount of \$329,250 for NR216 compliance. The annual budget for the total program is estimated at approximately \$2.5 million.

Bachhuber stated the estimated number of ERUs (Equivalent Run-Off Units) in the City is 32,700. The second column of Handout #3 shows the cost per ERU for each task, and a total of \$76.44 per ERU. One house would equal one ERU. Non-residential properties—churches, schools, industrial, commercial—would have multiple ERUs. One ERU is estimated to be approximately 2,800 square foot. For a single-family home, the impervious area consists of the driveway, roof, garage, patio, private sidewalks. The entire cost divided by the number of ERUs equals \$76.44 per year per ERU, or \$76.44 per house. A commercial property consisting of four ERUs, for example, would pay four times \$76.44. He emphasized this is an estimate of what it would take to support the total program and what the rates would be. The budget could be fully funded by utility fees, by property taxes, or a combination of property taxes and utility fees.

Gehin explained property owners who are not paying property taxes now—schools, churches, non-profits—will see an impact because they do not currently pay taxes.

Ghidorzi asked what improvements the Becher-Hoppe study recommended. Marquardt explained some outfalls on the river are in poor condition and need to be redone. Improvements need to be made to control flooding problems at 17<sup>th</sup> Avenue and Stewart Avenue and in the Wausau West High School area. Gehin explained the study identified \$19 million of capital costs. Staff looked at where there are current problems. Other problem areas will be addressed by WisDOT improvements, such



as near St. Matthew's Church and by 2510 Restaurant. The City is looking at improvements of \$3.5 million for immediate problems. Another area needing improvement is the 74-inch storm sewer by the Cloverbelt property. There could be other issues because large pipes go under buildings and the current conditions are not known. Storm sewers will have to be assessed. Sorensen asked if the estimated \$464,300 for future capital needs will increase year after year, and Gehin replied it will. Improvements will have to be made as problem areas are found.

Finance Director Groat also distributed handouts. Handout #1 gives examples of what various properties would pay to support a stormwater management program. Column A shows the annual cost at \$76.44 per ERU. Column B shows what people are paying in taxes for current stormwater efforts based on the value of their property. Column C shows new costs for stormwater activities that no one is paying for now. The total of Column B and C is the cost if all stormwater efforts are paid by taxes. Column A - (Column B + C) shows the net increase/decrease in cash outlays of stormwater fees versus real estate taxes. She noted that non-profits will feel the greatest impact because they currently pay nothing.

Groat explained that page 3 of Handout #1 shows that 1,571 homes are valued at less than the breakeven point and would see an overall cost increase. They would pay more under a stormwater utility than what they are now paying in taxes to support stormwater management efforts.

Gehin pointed out the Kolbe & Kolbe property would pay \$18,887 more because of the amount of their impervious area, and the Union Station property would pay less. Groat noted that everyone would pay more for new stormwater efforts if the costs are put on the tax levy.

Groat explained Handout #2 shows examples of what various properties would pay for capital needs totaling \$1,124,150. The annual cost would be \$34.38 per ERU under a stormwater utility. The annual rate would be 0.5307 per \$1,000 of value if the costs are paid by real estate taxes. Handout #3 shows examples of what various properties would pay for future capital needs totaling \$793,550 for those things that the City is not currently doing. This has the least amount of impact on non-profits and minimizes the impact on low and moderate homes. Under a stormwater utility, the lowest price residence would pay \$61 per year.

Gehin asked if Weston's rate of \$48 per year includes capital costs. Bachhuber replied it includes some capital but mostly just regulatory compliance costs. An analysis has not been done to know what they will have to do and how it will increase their rate.

Groat pointed out that if the City moves to a stormwater utility, the operating budget for City properties and parks would be affected. It would also impact properties in tax increment districts. The City would lose about \$100,000 in tax increments if costs are paid by utility fees rather than taxes. The School District, Marathon County and NTC would also be affected.

Gehin asked Wald if he needs information on how all school properties would be impacted. Wald did not think it would be necessary at this time. They can use the current examples to project what their costs might be. They may want more information when the Task Force gets closer to finalizing how costs will be funded.

Gale pointed out that Wausau taxpayers would be affected in more ways than just by a utility fee. Churches and non-profit organizations would have to seek increased contributions from their members. The School District, County and NTC would have to increase their taxes. Wausau taxpayers would have to pay increases for those entities. Gehin noted this is similar to the process many communities went through in the 1960s and 1970s with wastewater treatment programs. Brezinski noted that many people will be impacted but it is important to determine what is the most equitable solution. The greatest impact will be felt by organizations which have paid nothing in the past.

Sorensen pointed out that Marathon County will pay an increase, but those costs will be spread out over all County taxpayers. The School District costs will be funded by all School District taxpayers. Everyone who benefits from stormwater management will pay.

Ghidorzi asked if credits will be allowed for developers and business owners who have made stormwater contributions in the past. Bachhuber replied that credits will be considered. There would be a credit policy for properties that have helped to reduce the impacts of stormwater pollution.

Task Force members asked that information which will be presented at the next meeting be sent to them so they have time to review it before the meeting.

**The next meeting was scheduled for Monday, May 16, 2005, at 5:00 p.m. in the Maple Room.**

The meeting adjourned at 6:00 p.m.

Morrissey explained the City tries to attract businesses and prospective businesses do ask what the City's stormwater utility fee is. Right now they can answer that there is no fee, but it is a serious issue for the City to remain competitive. Marquardt explained other communities in the area are being faced with the same issue. They have to include increased costs in their tax levy or set up a utility to collect the revenue. Gehin agreed everyone in the metropolitan area has to do the same thing and right now the Village of Weston is the only one which charges a stormwater fee.

Ghidorzi stated that tax exempt properties would comprise 16% of the revenue source under a utility. With an annual budget of \$2.5 million, tax exempt properties would pay \$400,000 which they are not paying now.

Brezinski stated he understands the argument about attracting businesses and the effect a fee would have on tax exempt properties and the School District. The underlying advantage of a stormwater utility that charges properties for what they produce in terms of run-off is the equity of it. He felt there is an appeal to the fact that all properties will pay for the load they generate. Everyone would be treated fairly.

Sorensen explained industries are required to provide detention ponds but they will still be looking at a fee of \$75 per ERU. People come to him about building a home but complain that City taxes are too high. He felt any possibility of lowering taxes is going to be a benefit to the City. Churches and non-profits draw members from the whole community and the cost would be distributed among everyone instead of City taxpayers supporting all of it.

Gale stated he would like to know what is currently collected through the tax levy and what that cost is per \$1,000 valuation. He would like to know how much the mil rate will go down if the costs are transferred to a utility, and what someone will pay per month under a utility versus what they would pay in taxes. Ghidorzi felt that would be okay for existing properties and developments, but he questioned how it would apply to new subdivisions. Developers are required to put in retention ponds and people pay for the cost through the purchase of the lot or new home. Stormwater directed to ponds does not go into the City's pipes or storm sewer system. He questioned if they should have to pay at all for stormwater management if the stormwater is handled 100% within the subdivision. He felt arriving at "being fair" would be very difficult. There are a lot of gray areas and it becomes more of a question of unfairness than fairness.

Sorensen stated it is important to know what the actual dollars will be and how the mil rate is affected. Gehin explained a fee of \$75 per ERU per year will take \$2.5 million off the tax levy. He will ask Groat to prepare information to clarify the questions. Gale explained information should be prepared on what is already being funded with the general levy, what will come off the levy if a utility is created, how credits will be applied to new subdivisions where stormwater goes directly to a pond, how other communities handle credits.

Ghidorzi expressed his concern with being able to develop a logical program for handling credits. If credits are issued, then the rest of the property owners will have to make up the difference. He noted the Westwood Conference Center paid \$400,000 to construct a retention pond. He questioned if he should be billed anything in order to be fair. Marquardt stated that 100% credits would not be

issued. Being in a city you cannot look at individual lots or subdivisions. People travel into the downtown and on the streets throughout the City where improvements are needed. Ghidorzi felt that is the reason it should be left in the general budget. Marquardt explained that tax exempt properties are producing pollution. Everyone is producing stormwater run-off and pollution and everyone should take care of their fair share rather than the City taking care of everyone. Subdivisions should not be treated as a city within a city.

Bachhuber stated he can prepare examples of what other communities have done for credit policies. Brezinski questioned what a reasonable formula would be for credits. If someone spent \$400,000 to make improvements, some credit should be issued. Gale asked that information be obtained from Weston on their credit policy.

Ghidorzi suggested that tax exempt properties be totally eliminated from consideration in creating a stormwater utility. Bachhuber stated a specific group cannot be eliminated unless it can be shown that the properties do not generate stormwater pollution like every other property. A property cannot be eliminated because of its tax status.

Wald explained the School District is under revenue caps and is limited in the dollars it can raise. School programs would have to be cut. Schoen noted out of all the entities, school districts are hit the hardest when a stormwater fee has to be paid. Churches can go to their members and businesses can increase their prices, but school districts cannot just come up with the extra money without cutting elsewhere. Brezinski agreed that can not happen unless the law is changed in the future.

Brezinski felt before discussions can move any further, the information has to be as clear as if it were going to a referendum. Ghidorzi felt to provide that information would be the same as setting up the utility and Earth Tech is not being paid to do that. Brezinski stated it is important to educate the public. The information needs to be presented in a fashion that can be defended.

Gale explained the decision on creating a utility will have to be made reasonably soon in order to begin the process for meeting the 2013 compliance date. This group will have to come up with a recommendation to forward to the Capital Improvements and Street Maintenance Committee. From there perhaps it will go to the Committee of the Whole before it goes to the Common Council.

Gale stated it is important for Finance Director Groat and City Assessor Nan Giese to be in attendance at the next meeting.

**The next meeting will be held Wednesday, June 29, at 7:30 a.m. in the Board Room.**

The meeting adjourned at 6:45 p.m.

## STORMWATER UTILITY TASK FORCE - *REVISED*

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Date of Meeting: June 29, 2005, at 7:30 a.m. in the Board Room of City Hall.

Members Present: Brezinski, Wald, Baumgardt, Groat.

Also Present: Gehin, Wesolowski, Lehmann, Marquardt, Mayor Tipple, and Jim Bachhuber and Kurt Schoen of Earth Tech.

In compliance with Chapter 19, Wisconsin Statutes, notice of this meeting was posted and received by the *Wausau Daily Herald* in the proper manner.

Jim Brezinski, Vice Chairman, chaired the meeting.

### **Approve Minutes of Previous Meeting**

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Baumgardt moved to approve the minutes of the previous meeting. Wald seconded. Motion carried.

### **Discuss Credit Policies and Credits Issued in Other Communities**

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Bachhuber explained members had received a copy of the Village of Weston's stormwater utility credit policy, along with a copy of an example of a stormwater utility credit application manual. It contains a description of how credits will be issued, and describes that the credits or adjustments to rates have to be based on a reduction in impact to the stormwater system.

The City and Earth Tech developed an estimated annual stormwater management program budget of \$2.5 million. This budget is made up of many different tasks the City currently does and for compliance with future stormwater management regulations. Costs can be categorized into functions with an assigned dollar value and if properties do something to reduce the impact of a function, they can apply for a fee reduction. The City does things to keep the storm sewer system operating freely—cleaning out storm sewers, installing larger pipes, picking up leaves. If a property does something, such as construct a pond, to reduce the amount of flow to the City's storm sewer system, a reduction could be made to the property owner's bill.

Bachhuber explained Weston has estimated that 68% of its utility budget is spent on maintaining the capacity of its stormwater system. If a property is located on a body of water where run-off never enters the village-owned stormwater conveyance system, the flow from that property is not impacting the capacity of their system so that property owner would be eligible for a 68% credit. If someone builds a stormwater basin which will reduce the peak flow rate, some portion of that reduction in flow would be reflected in a credit to the property. Gehin asked how properties with existing facilities would be affected. Bachhuber explained some developments were required to maintain the condition of the property in the state it was before it was developed; it is not making it worse but it is not helping either. Some communities have made the decision that those situations will not receive a credit. A credit may be issued if a system is enhanced or improved. Bachhuber questioned if the

City should give a credit to property owners who have complied with minimum standards only, or to those who are exceeding minimum standards.

Brezinski questioned if the Wausau East High School would receive a credit. Wald explained the high school was built to maintain the flow as it was before construction took place, and the School District paid a significant stormwater management fee to the City at that time. Wesolowski stated the ordinance has been revised since then. There had been a base fee that was charged for run-off. It now pertains only to lots brought into the City after a certain date. Lehmann pointed out the School District did have to maintain the base flow but the City also extended storm sewer to collect flow and bring it into the system so that is why there was a base charge. Wald felt the flow runs to the creek and not the City's system, and Gehin indicated storm sewer work was done in 18<sup>th</sup> Street.

Brezinski felt that providing a benefit to property owners would be an incentive for them to make improvements. Bachhuber indicated a benefit can be prorated by the level of reduction achieved. If a developer goes beyond what is required, there is an option to give a credit. Brezinski questioned if flow going to a stream is regulated by DNR rules. Bachhuber commented on a lawsuit in Eau Claire involving a riparian property. The court ruled that a discount should be allowed because water from the property was not going into the city's storm sewer system. The DNR regulations are written to manage and regulate pollution from municipal storm sewer systems. Brezinski asked if the Pick-N-Save parking lot drains to the river, and Gehin replied it enters the City's system. Lehmann stated the Home Depot and Hereford & Hops properties drain to the river. Wesolowski pointed out that no developments in the City have made improvements beyond the minimum regulations.

Gehin stated that allowing credits for existing systems will be a political decision. Property owners who have constructed ponds will question why they aren't receiving credits. If a utility is approved, the City may want to consider giving credits for these situations. Brezinski agreed it may be a good idea to give a certain amount of credit for existing facilities, and to provide an additional incentive for those who go above and beyond the minimum requirements. He asked what more could be done, and Gehin replied sediment removal could be accomplished. Brezinski asked if Wausau East would get a credit for the way they have designed their facility, and Gehin felt it should be included in the program. Schoen explained Wausau East was built to the existing conditions requirements. It did not exceed the standards and would not get a credit under Weston's policy. He noted that Wausau has stringent stormwater controls in place, Weston does not, and Wausau should look at a credit policy differently.

Referring again to properties on rivers, Bachhuber explained individual properties, in industrial land use, are regulated separately from municipal storm sewer systems. They have their own permits for pollution control and their run-off quality is regulated. There is a set of pollution control standards in place for new developments on or off the river.

Gehin stated systems in the Industrial Park were put in place by the City and he questioned if those property owners would be eligible for credit. Bachhuber stated in his opinion a condition for credit eligibility would be that the practices must all have been supplied by the property owner. If all the improvements were made by the City, it would be no different that the storm sewer downtown. It

is something the City has to maintain and spend money on. The idea of a credit is that a property owner is saving the City from the ownership and maintenance of a facility. Gehin noted if the City has taken over ownership and maintenance of a facility, there would be no credit because the City is maintaining it.

Bachhuber explained he has reviewed the credit applications for other communities, including Appleton which has had a utility for about ten years and Oshkosh and Racine which have had utilities for about two years. The amount of credits awarded in those communities is not a significant portion of their budget, perhaps only 1-2%.

### **Estimated Revenue to City from Tax Exempt Properties**

Groat explained what the City received in 2004 for payments in lieu of taxes from the non-taxable properties which make such payments. The most significant payment is from the Wausau Water Utility and the amount is calculated according to a formula determined by the Public Service Commission, and is based on tax rate and plant values. It uses the historical values of the plant and the tax rate. Hamilton Villa is also based on value and tax rate. Because it is tax exempt the Assessor does not set a value for the property so determining a value on an annual basis does not occur. Groat stated she uses the Consumer Price Index or talks with the Assessor about what property values are doing in general. The biggest portion of payments in lieu of taxes is coming from City of Wausau entities—the Utility and Community Development Authority. The only time the City receives payments in lieu of taxes from tax-exempt properties is when the non-profit needs assistance from the City and they are able to negotiate the amount. The City does not receive anything from tax-exempt property just because they want to contribute to the City's enterprises. Groat noted that Mike Morrissey has indicated he would expect the Community Development Authority to receive a reduction in their payment in lieu of taxes, however, she noted their rate is based on 10% of rent net utilities and has nothing to do with the value of the property and tax rate. Brezinski noted the numbers have no correlation with the equivalent run-off units and Groat agreed they do not. She noted the nine properties shown on the handout are the only properties which make payments in lieu of taxes.

Brezinski asked how much revenue would be generated from all tax-exempt properties, including schools and churches, under a stormwater utility, and how that would affect the payments in lieu of taxes. Bachhuber stated 16% of the estimated \$2.5 million, or about \$400,000, would come from schools, churches, government buildings, etc. Groat explained it would not impact the payments in lieu of taxes. She noted when the hydrant rental fee went into effect none of non-profit agencies asked for a reduction in their payment in lieu of taxes.

Bachhuber explained if \$2.5 million is received under a stormwater utility, that is money which will not have to be raised by property taxes. There will be a \$2.5 million cost for City services but the costs would be moved from the general budget and put on a utility budget. All things being equal, the City's general revenue budget would go down by \$2.5 million and there would be a reflection in the tax rate. Groat stated at a previous meeting there were handouts showing an example of how

a number of properties would be affected. Some will pay less under a stormwater utility and some will pay more.

Brezinski asked if there would be any adverse impact to the City's levy controls or shared revenues. Groat stated she did not think so. Stormwater costs are not a line item for shared revenue so it would not impact them. She noted the committee had talked about funding the full \$2.5 million with a stormwater utility, funding only the capital costs with a utility, including operation and maintenance plus a portion of capital costs, or doing it transitionally over a period of time so no one will see a huge change one way or the other. Bachhuber noted the City's capital costs will be the most significant.

### **Recommendation to Common Council**

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Brezinski suggested that rather than making a recommendation directly to the Common Council, to have a joint meeting of the Capital Improvements and Street Maintenance Committee and Finance Committee. Gehin felt it would be a good idea because a decision has to be made on whether or not the City will continue with a utility. There is a time frame for using the grant funds the City received. Groat explained if the City proceeds, it will have to determine the format of the utility, what costs it will recover, develop an outreach/educational program, and adopt ordinances.

Brezinski asked that a letter be sent to members of both committees. It is important to know if they want a stormwater utility or not. Specific elements of creating a utility should be outlined. The committee members will have to determine how it will impact the constituents they serve. The letter should stress the importance of attending the meeting, and the media and Stormwater Utility Task Force members should be invited to attend.

Wesolowski explained the City's grant expires December 31. There may be an extension but he has not yet received an answer from the DNR. Brezinski stated this information should also be included in the letter to the CISM and Finance Committee members. Wesolowski stated the grant is a 70/30 cost share, with the State paying approximately \$100,000 and the City paying approximately \$30,000. The contract with Earth Tech requires them to go this far with their study, and the next portion would be to assist with setting up the utility if that is the City's decision. Schoen felt if the City decides to go ahead with implementing a stormwater utility but could not get it done by the end of the year, that the DNR would likely extend the grant. He felt it is a "make up your mind" issue before the end of the year.

Bachhuber commented on legislation which is before the State Assembly which will reformat the authority for stormwater utility implementation. The Public Service Commission ruled 5-6 years ago that stormwater infrastructure is a legitimate city service to be funded under city systems. The proposed legislation is controversial in many communities and it is being pushed by the business community because of the impact they are seeing with fees being assessed against them. The bill says a city cannot collect property taxes and utilities fees for the same program, but he noted no one is doing that but this will put it in writing. The proposed legislation contains language that says in order to set a rate, cities will have to look at a whole range of physical parameters for properties and not

just the impervious area, such things as hydrologic elements, size, etc. Some communities do look at more property characteristics to set their rate. Being required to analyzed numerous physical characteristics of a property can become complicated and could become unusable. The legislation states what must be included and unless all those characteristics were considered, a city would be open to challenge. Schoen noted the law would be changed from what "may" be considered to what "shall" be considered, and it would be a much more time-consuming endeavor.

Brezinski stated at the last meeting there was a question about the possibility of schools being exempt because of their cost controls. He contacted Donna Seidl and Russ Decker about the possibility of establishing such an exemption. Decker did not think it would happen because the law was written so exclusions would not be available. Seidl said she would look into it. Brezinski stated he was in favor of going forward with creating a stormwater utility. He felt it is a fair and equitable method to pay the City's costs for funding stormwater management practices. Gehin asked what the impact to the School District would be and Brezinski thought it would be about \$60,000 per year. Bachhuber was not sure of the exact amount, but in the examples presented at a previous meeting there would be approximate fees of \$9,700 for John Muir Middle School and \$1,900 for G.D. Jones Elementary School. Wald felt the School Board would object to the creation of a stormwater utility if there is no credit for what was paid for Wausau East High School. The fee was based on the total impervious area of the site. Wald did not think stormwater utility fees would be an issue if the School District was not faced with revenue caps and having to cut \$4 million in the next two years.

The meeting adjourned at 8:30 a.m.



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# Stormwater Utility Study Supplement City of Wausau, Wisconsin

*Prepared for:*  
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*December 2006*

Earth Tech Project No. 78494

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### Appendix

- A Policy for Establishing Stormwater Utility Billing ERUs
- B Stormwater Utility Billing Database Status

## 1.0 INTRODUCTION

This report updates information presented in the July 2005 report completed for the City of Wausau: "Stormwater Utility Study". The 2005 report documented the findings of an investigation regarding the feasibility and impacts of a stormwater utility funding mechanism for the City of Wausau. Between July 2005 and December 2006 several important events occurred which added to the stormwater utility information and/or affected the feasibility of the adoption of a stormwater utility by the City. These events included:

1. **August 4, 2005 Joint Meeting of the City's Finance Committee and the Capital Improvements and Street Maintenance Committee (CISM):** At this joint committee meeting, the July 2005 Stormwater Utility Study report was presented by City staff and Earth Tech. After a lengthy discussion on many aspects of the utility concept both committees voted unanimously to proceed with the stormwater utility investigation. The joint recommendation was approved by the full City Council on September 13, 2005. This action allowed Earth Tech to complete the measurements of the City's impervious areas, finalize the program budget needs, and develop a stormwater utility billing file.
2. **Updated Aerial Photograph and Planimetric Data:** In April of 2005 the City of Wausau had a new aerial photograph taken. This photograph and the planimetric mapping derived from it (which delineated impervious surfaces within the City) were made available for use in October of 2005. The 2005 data was used to update the impervious area measurements for parcels within the City and the Equivalent Runoff Unit (ERU) calculation (see below).
3. **WDNR Grant Extension Approved:** The original stormwater utility investigation project was initiated in May of 2004. The study was partially funded by a WDNR Urban Nonpoint Source Planning Grant. The grant period ended on December 31, 2005. In November of 2005 the City requested a grant extension from the WDNR. The WDNR granted a one year extension to the grant (December 31, 2006).
4. **City of Wausau Common Council Resolution 06-1016:** At the October 24, 2006, Common Council meeting a citizens group submitted a petition requesting the Council to require City-wide referendum approval before prior to the adoption of any new fee for City services (including stormwater utility fees). The Council adopted a resolution which created Section 3.10.010 of the Municipal Code. This section states, in part: "The City of Wausau shall hold a City-wide referendum requesting citizen authorization to institute fee for any municipal service."

Due to this development, a stormwater utility could not be adopted by the City before the WDNR grant deadline. The City therefore requested Earth Tech to complete as much of the stormwater utility billing database file as possible. This allows the City the option of implementing a stormwater utility in the future if approved by referendum.

The remainder of this document describes new information and the status of the stormwater utility billing database file. Attached at the end of this report are two memos:

1. **Policy for Establishing Stormwater Utility Billing ERUs:** This memo describes the "rules" employed for establishing ERUs to the stormwater utility customers. This policy

memo provides guidance to the City if new customers are added to a stormwater utility in the future.

2. **Stormwater Utility Billing Database Status:** This memo describes the database fields and remaining issues for the "final" stormwater utility billing file prepared for the City.

This document is a supplement to the July 2005 report.

## 2.0 PROGRAM SERVICES AND COSTS

### 2.1 Estimating City Stormwater Program Costs

Subsequent to the July 2005 report, the City and Earth Tech evaluated alternatives to funding the entire stormwater program on a user-fee basis. It is possible to fund defined portions of the stormwater program through a utility, and to continue funding the remaining components from the general revenue fund. Budgets and corresponding stormwater fee per ERU for the entire stormwater program, and four options for partially funding the program with user fees, are summarized in the table below. The budgets for the options shown in Table 1 are based on the program analysis conducted for the July 2005 report.

<b>TABLE 1 BILLING OPTIONS FOR FUNDING PARTIAL STORMWATER PROGRAM</b>		
Option	Annual Budget	Annual ERU Rate (\$/ERU) <sup>6</sup>
Entire Program <sup>1</sup>	\$ 2,511,000	\$ 69.00
NR 216 Compliance <sup>2</sup>	\$ 402,500	\$ 11.06
O&M Only <sup>3</sup>	\$ 1,087,900	\$ 29.89
Future Capital Only <sup>4</sup>	\$ 804,800	\$ 22.12
Existing CIP <sup>5</sup>	\$ 330,600	\$ 9.08
<b>Notes:</b> <sup>1</sup> All components of the City's current stormwater program, plus anticipated future costs, including flood control plus NR216 structural and non-structural BMPs. <sup>2</sup> Includes new structural and non-structural BMPs required for NR 216 compliance. The capital projects are not in the City's current CIP. <sup>3</sup> Existing operations and maintenance costs. <sup>4</sup> Only new structural BMPs for NR 216 compliance and flood control. These items are not in current CIP. <sup>5</sup> Average CIP from 2005-2008. <sup>6</sup> The calculated annual ERU rate is based on the updated total number of ERUs in the City of Wausau's billing file database as of 12/31/06.		

The budgets and billing rates for the partial funding options sum to more than the total program because certain items fall under more than one category. Structural improvements required to

meet NR 216 requirements, for example, are included in both the "NR 216 Compliance" and "Future Capital Only" categories.

### **3.0 RATE STRUCTURE DEVELOPMENT**

#### **3.1 Parcel Analysis**

Wausau obtained a new aerial photograph of the City taken in April 2005 and planimetric data derived from the aerial photograph. This data became available for use in October of 2005. The planimetric data included linework delineating rooftops, sidewalks, road surfaces, and other impervious areas. Earth Tech reviewed the planimetric data and determined it was sufficiently accurate to be the baseline for calculating the impervious areas (and thus the ERU values and stormwater utility rates) for individual customers.

#### **3.2 Calculating an ERU**

Following the review of the planimetric data, Earth Tech recalculated the ERU value presented in the July 2005 report. The ERU value presented in the July 2005 report was 2,765 square feet of impervious area per ERU. This value was based on averaging the measured impervious area associated with 122 single-family residential parcels in the City using the 2000 aerial photograph.

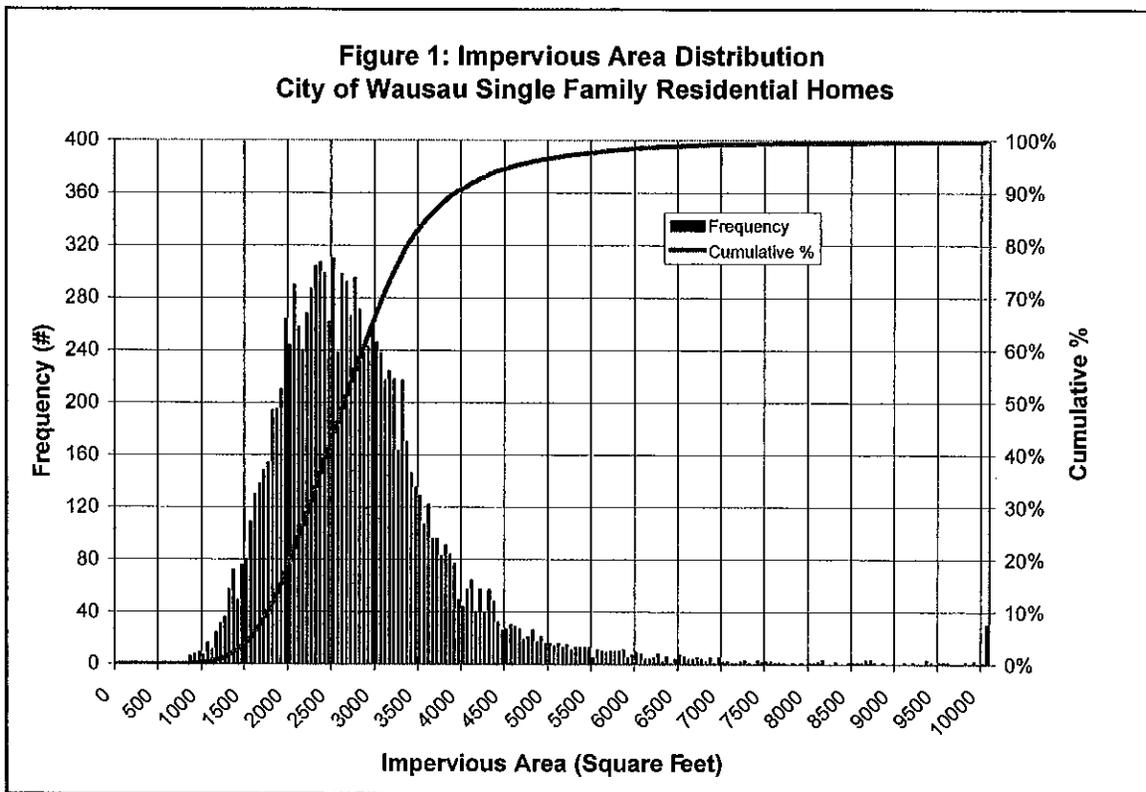
To update the ERU value the 2005 planimetric data was overlaid with parcel mapping of the City to allocate impervious area to each single-family residential home. Earth Tech reviewed single-family residential parcels with unusually large or small amounts of impervious area to verify that they were actually single-family residential structures. A total of 11,507 parcels were classified as single-family residential customers with measured impervious surfaces. The average impervious area for identified single-family residential customers was 2,793 square feet, and Earth Tech revised the value of an ERU to this number.

#### **3.3 Utility Rates for 1-Family and 2-Unit Residential Properties**

One purpose of a stormwater utility is to fairly and equitably distribute the cost of the City's stormwater program across those customer receiving services. From that viewpoint, the ideal approach to setting stormwater utility rates would be to measure the actual square footage of impervious area for each customer's parcel. As a practical matter, the required administrative burden renders such a system infeasible for residential customers.

One approach meeting both the administrative practicality and fairness criteria is to separate residential customers into categories or "tiers" grouped by the amount of impervious area per parcel. With the availability of the planimetric data, the City decided to consider a multi-tiered configuration for the residential customer base. Earth Tech divided the single-family residential customers into five groups separated by natural breaks in the data. The following graph depicts the distribution of impervious area per single-family residential homes in Wausau. Each bar on the chart represents the number of single-family residential homes falling within a range of 50 square feet of impervious area. For example, there are 310 homes with between 2,500 and 2,550 square feet of impervious area. The red line on the chart represents the cumulative percentage of homes at or below a given square footage of impervious area, measured off of the right y-axis. As an example of how to read this portion of the chart, 90 percent of the homes

in Wausau have less than 4,000 square feet of impervious area and approximately 10 percent have less than 1,750 square feet.



The City and Earth Tech divided the single-family residential customers into five tiers, numbered I through V. Earth Tech calculated the ERU charge for each tier by averaging the square footage of all customers within each tier relative to the overall average ERU value (2,793). Table 2 summarizes the single-family residential customer classes. The total number of ERUs attributed to single-family residential customers exceeds the number of customers due to a combination of aggregating into tiers and rounding the average for each tier.

**TABLE 2  
 SUMMARY OF THE SINGLE-FAMILY RESIDENTIAL ERU CHARGE SYSTEM**

Tier	Homes per Tier		Impervious Area (sq. ft.)		ERU Charge per Resident	Total ERU's per Tier
	Number	Percent	Lower Limit	Upper Limit		
I	328	3%	-	1,399	0.5	164
II	10,118	88%	1,400	3,999	1.0	10,118
III	795	7%	4,000	5,499	1.7	1,352
IV	130	1%	5,500	6,399	2.0	260
V	136	1%	6,400	20,619	3.0	408
<b>Total</b>	<b>11,507</b>	<b>100%</b>				<b>12,302</b>

For 2-Unit residential properties (duplexes), the following procedure applies:

1. Each dwelling unit will be billed based on the total impervious area of the parcel.
2. The ERU value for the entire parcel is matched to the appropriate tier from the 1-family residential category.
3. The ERU value from that tier will be divided in half and billed to each 2-unit occupant.

### **3.4 Utility Rates for Nonresidential Properties**

All properties that did not fit the category of single-family or 2-unit residential were considered "nonresidential" for utility rate development purposes. Earth Tech calculated the square footage of impervious area from the planimetric data to all nonresidential properties within the City. This required combining several sets of data. Information from the Water and Wastewater Utility Billing File, parcel data, and the planimetric data were all required to assign an ERU value to a specific customer. The Water and Wastewater Utility Billing File was the starting point for assembling the stormwater utility billing file dataset.

Each nonresidential stormwater utility bill is the result of the intersection of all three datasets. Earth Tech worked with the planimetric data and parcel data to assign the amount of impervious area to each parcel. Dividing the impervious area for each parcel by 2,793 square feet provided the number of ERUs for each parcel. To facilitate delivering an actual bill to each customer, should the City proceed with utility adoption, Earth Tech worked with the City to combine the ERU per parcel data with the Utility Billing File and assigned ERUs to existing Water and Wastewater Utility customers.

Several scenarios are possible when combining the various data sets.

- Some customers with existing Water and Wastewater Utility bills do not receive stormwater utility bills because they do not have any impervious area (a parcel served for irrigation purposes only may be an example of this scenario).
- Some individual customers receive multiple Water and Wastewater Utility bills. In these cases, Earth Tech worked with the City to consolidate the bills to the existing customer in the manner which was deemed most compatible with the existing billing system and the overall goals of fairness and equitability.
- Other parcels required the creation of new billing accounts because they contained impervious area, but do not receive water or sewer service (mini-warehouses or parking lots are examples of this scenario).

The following table summarizes the ERUs associated with parcels within the City.

<b>TABLE 3 SUMMARY OF THE UTILITY BILLING FILE</b>		
<b>Customer Type</b>	<b>Number of Customers</b>	<b>ERUs</b>
Residential: Single-Family	11,507	12,304
Residential: 2-Unit	862	585
Non-residential	2,923	23,502
<b>Total</b>	<b>15,292</b>	<b>36,391</b>

In addition to the customers and ERUs listed in Table 3, there are 150 customers that have not had an ERU determination. These customers are newly developed properties and their impervious area was not available as of December 2006. A summary of the number of customers without ERU values is provided in Table 4. If a stormwater utility is considered in the future, these customers, plus any additional newly developed properties will need to have their impervious area and ERU value calculated.

<b>TABLE 4 SUMMARY OF RECORDS WITH NO IMPERVIOUS AREA DATA</b>		
<b>Customer Type</b>	<b>Number of Customers</b>	<b>ERUs</b>
Residential: Single-Family	123	unknown
Residential: 2-Unit	9	unknown
Non-residential	18	unknown
<b>Total</b>	<b>150</b>	<b>unknown</b>

**APPENDIX A**

**POLICY FOR ESTABLISHING STORMWATER UTILITY BILLING ERUS**

Date: December 29, 2006

To: Project File

From: Kurt Schoen and Jim Bachhuber

Subject: **Policy for Establishing Stormwater Utility Billing ERUs  
City of Wausau - Development of a Stormwater Utility  
Earth Tech Project No. 78494**

This memo summarizes the billing procedures for the City of Wausau's stormwater utility. The approach is based on procedures used in other stormwater utilities in Wisconsin, but is tailored for the City of Wausau based on discussions with the City staff. If the City adopts a stormwater utility, these procedures for Equivalent Runoff Unit (ERU) establishment should be referenced in the adoption language. These procedures may be updated or revised as needed by subsequent Council action.

- The goal of the billing procedures is to accurately bill customers for their ERUs while minimizing the administrative burden placed on utility billing staff. One policy which assists in minimizing staff workload is to reduce the number of new customers by keeping the list of bill recipients as similar as possible to the current water and sewer billings. However, there will be new customers who only receive a stormwater utility bill. Examples of these new customers include developed properties that do not have any water or sewer service (such as mini-warehouses, parking lots, etc.) and buildings that are not on the municipal water or sewer system (rural buildings with private wells and septic systems within the City boundary).
- Water and sewer utility customers outside of the Wausau municipal boundary will not receive a stormwater utility charge.
- One ERU equals the average impervious area of a single family residential home parcel in the City of Wausau. Based on the City's 2005 planimetric map data, there are 11,507 single family home parcels with impervious areas delineated. The average impervious area for these parcels equals 2,793 square feet. Therefore 1 ERU is defined as 2,793 square feet of impervious surface.
- All calculated ERUs will be rounded to the nearest 0.1 ERU.

**A. Residential Rate Structure**

Residential properties will be charged based on the following:

Property Type	ERU Rate
1-Family Residential	Single family residential units will potentially be billed in a five-tiered (I, II, III, IV, V) manner. Earth Tech established the billing rate for each category based on square footage of impervious area per lot. Breakpoints between categories were aligned with natural breakpoints in the data (see the Supplemental Report for details).
2-Family Rentals or Condominiums	Each dwelling unit will be billed based on the total impervious area of the parcel. The matching ERU value for the matching tier from the 1-family Residential category will be divided in half and billed to each 2-family occupant.
3-Family Rentals or Condominiums	Each dwelling unit will be billed as a commercial property. Their actual impervious area will be measured and divided by 2,793 square feet to arrive at the ERU value. The ERU value will be divided by 3 and billed to the current utility bill recipient.
Multi-Family (4-Family and Greater) Apartments of All Types	For each complex, the total impervious area will be divided by 2,973 square feet. The resultant ERU total will be divided by the number of dwelling units and billed to the current utility bill recipient. If existing bill goes to one master meter, the aggregate stormwater utility bill will go to that customer.
Residential Condominiums Above 3-Family	For each complex, the impervious area will be summed and divided by 2,973 square feet. The resultant ERU total will be divided by the number of dwelling units and billed to the current utility bill recipient. If appropriate, common areas will be measured separately and billed to the condominium association.
Mobile Homes	Total ERUs for the site will be calculated and assigned to the current master billing customer.
Farms, Farmsteads	All farms, regardless of the location's activity will be billed as 1 ERU and the bill will be sent to the current utility bill recipient.

**B. Non-Residential Properties**

Non-residential properties will be charged based on their square footage of impervious area divided by 2,793 square feet, except as noted below, and billed to the current utility bill recipient.

**C. Tax Exempt Housing**

1. If a parcel is known to be a housing unit, ERUs will be charged based on the appropriate residential rate structure described above.

2. If the residential status of a parcel is unknown, then the ERU will be calculated by dividing the impervious area by 2,973.

**D. Commercial Condominiums (Businesses with Condominium Ownership Arrangements)**

1. If the assessor's data provides information on the percent share of each owner, then the percent share will be used to pro-rate the portion of the ERUs to each owner.
2. If the percent share information is not available, then the condominium owners will all receive an equal share of the ERUs for the parcel.

**E. Mixed Land Uses**

1. If the property owner can be identified, all ERUs will be billed to the property owner.
2. If a commercial occupant is on the first floor and apartment(s) are on the second floor (and the footprint of impervious surface is not increased by the apartment space), then all ERUs are charged to the commercial occupant.
3. If a commercial occupant and residential building are side-by-side on the same parcel, the ERUs are determined in the following manner:
  - a. The impervious square footage associated with the commercial portion of the property is measured and divided by 2,973.
  - b. The impervious area associated with the residential portion of the property is measured and charged a rate according to the appropriate residential rate structure described above. All charges are sent to the current parcel owner.
4. For parcels with the impervious area footprint of a single-family residential home, having both commercial and residential uses in the same building, the parcel's impervious area is measured and charged a rate according to the tiered 1-family rate structure described above. If the impervious area has been increased by modifications made to accommodate commercial uses, see paragraph E3.

**F. Miscellaneous Situations**

1. Dummy account numbers will be assigned to parcels with impervious surfaces that are not currently in the water utility billing database (parking lots, mini-warehouses, etc.).
2. Properties with less than 297 square feet of impervious area (0.1 ERU) will not be charged by the stormwater utility.

**APPENDIX B**

**STORMWATER UTILITY BILLING DATABASE STATUS**

Date December 29, 2006  
 To: Project File  
 Copy: Jim Bachhuber and Kurt Schoen  
 From: Steve Modahl  
 Subject: **Stormwater Utility Billing Database Status**  
**City of Wausau - Stormwater Utility Study**  
**Earth Tech Project No. 78494**

This memo summarizes the status of the Stormwater Utility Billing Database created by Earth Tech for the City of Wausau.

The accounts for all properties with impervious surfaces have been combined into one database: Water\_Utility\_Table.dbf

## A. DATABASE STRUCTURE

The database structure is based on the City of Wausau's Water and Wastewater Utility Billing file. Earth Tech added four new fields to the database to define the ERU and appropriate stormwater charges for each account.

These new fields are defined in Table 1:

**TABLE 1**  
**BILLING FILE DATABASE FIELDS ADDED FOR STORMWATER**  
**UTILITY BILLING PURPOSES**

Field Name	Description
PIN_LINK1	A numeric version of the PIN field used to identify new accounts and grouped billing accounts.
IMPERVIOUS	The impervious area of each account, in square feet.
STORM_CLAS	Earth Tech identifier to help reference property type ( <i>see Section D for definitions</i> )
ERU_CODE	The billing code for each account. ( <i>for non-residential properties the ERU_CODE value equals the impervious area divided by 2,793 square feet</i> ) The ERU_CODE for residential properties is described in Section II of this memo.

## B. TIERED ERU RATE STRUCTURE

A tiered ERU rate structure applies to single family residential and 2-unit residential customers only. In the case of the 2-unit (duplex) residential customers, the ERU Rate would be divided by two for each dwelling unit. The rate breakdown is as follows:

**TABLE 2**  
**SINGLE FAMILY AND 2-UNIT RESIDENTIAL CUSTOMERS TIERED ERU VALUES**

Tier	Parcel Impervious Area (sq. feet)	ERU Rate
I	Less than 1400	0.5
II	1400 - 3999	1.0
III	4000 - 5499	1.7
IV	5500 - 6399	2.0
V	Greater than or equal to 6400	3.0

An explanation of how the residential tiered structure was developed is contained in the "Stormwater Utility Study Supplement" prepared by Earth Tech and dated December 29, 2006.

**C. SUMMARY STATISTICS**

All records containing an impervious area greater than zero (0) were summarized to produce the following statistics of the billing file database.

**TABLE 3**  
**SUMMARY OF IMPERVIOUS AREA AND ERU VALUES OF UTILITY BILLING DATABASE FILE**

Statistics	Impervious Area (sq. feet)	Impervious Area (ERUs)
SUM	99,483,206	36,391.0
COUNT (# of records)	15,292	15,292
MEAN	6,506	2.4
MAXIMUM	723,322	258.9
MINIMUM	322	0.1

NOTE: The statistics in the above table do not include impervious area measurements for 150 records (see Section F No. 2 below for an explanation).

**D. STORM CLASS DEFINITIONS**

There are several land use definitions in the field called *STORM\_CLAS*. These codes helped Earth Tech identify the property type and corresponding ERU calculation. These codes are not necessary for the actual billing file implementation. The codes are defined as follows:

**TABLE 4**  
**DESCRIPTION OF STORM CLAS RECORDS IN THE UTILITY BILLING DATABASE FILE**

<b>STORM_CLAS</b>	<b>Definition</b>
sfr	Single family residential. ERUs for this class are based on tiered impervious area (see Section B of this memo).
2-Unit	Duplex or flat residential. ERUs for this class are based on tiered impervious area. (see Section B of this memo)
Condo	Condominium. ERU based on impervious area divided by 2,793 and divided equally among the condominium owners.
Mobile Home	Mobile Home residential. ERU based on total impervious divided by 2,793.
mfr	Multi-family residential. ERU based on total impervious divided by 2,793 and divided equally among the residents.
Nonres	Non-residential. ERU based on total impervious divided by 2,793. This applies to all properties with commercial, industrial, government, non-profit, business land use.
Vacant	Vacant land, ERU = 0.
SWU - Update	Impervious areas provided to Earth Tech by City of Wausau. ERU based on total impervious area divided by 2,793.
Unknown	Properties with impervious surface, but the <i>Storm_Clas</i> is not known and there is no existing <i>ACCOUNT_NO</i> . Owner information will need to be populated for these new records. ERU is based on total impervious area divided by 2,793.

**E. NEW ACCOUNTS**

This occurred when a parcel had an impervious surface but there was no existing utility account. Examples of these properties may include: mini warehouses, and parking lots with no other utility services. Owner information will need to be populated for these new records. The *ERU\_Code* is based on total impervious area divided by 2,793. These records are identified by the numeric code 99 in the *ACCOUNT\_NO* field of the database. There are 203 new account records in the database.

**F. REMAINING ISSUES**

There are two remaining issues to be determined for the Stormwater Utility Billing Database.

1. There are a total of 203 new accounts that have been added to the database and will need their associated fields ("*ACCOUNT\_NO*", "*LAST\_NAME*", "*FIRST\_NAME*" etc.) populated accordingly (see records where *ACCOUNT\_NO* = 99).
2. There are a total of 150 accounts with a "0" *ERU\_CODE* value. These accounts will need further review by the City and assigned an ERU value if a stormwater utility is re-considered. The account classifications for the properties with 0 ERUs are as follows:

**TABLE 5**  
**SUMMARY OF RECORDS WITH NO IMPERVIOUS AREA DATA**

<b>STORM_CLAS</b>	<b>#of Records to be Reviewed</b>
2-Unit	9
Condo	6
Nonres	4
Vacant	8
sfr	123

The "sfr" properties in Table 5 were coded during a meeting with City staff on December 12, 2006. These records were previously identified as "Vacant" and their impervious values could not be identified at the time. The impervious values will need to be measured for these properties so that the proper tiered ERU value can be assigned.

There eight properties identified as "Vacant". These properties appear to have no development; however, they are on the City's current utility billing system. The City must verify that in fact these properties have no impervious surface.

The remaining accounts "2-Unit", "Condo", and "Nonres" appear to be vacant lots; however, these records had existing utility accounts and, therefore will need to be reviewed by City staff to confirm that no impervious area exists.

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# Levy Limit Fact Sheet (sec. 66.0602(2m)(b) Wis. Stats.)

## Common Questions

**1. Does the provision affect other services?**

Only the five services listed are affected. Fees for services not listed are not subject to this provision (levy adjustment).

**2. Does the provision apply to a municipality that begins paying for a covered service by a fee instead of tax levy?**

Yes, if a covered service was funded partly or wholly by tax levy in 2013 and a municipality adopts a fee on or after July 2, 2013, the municipality is required to reduce its levy limit.

**3. Does the provision apply to a municipality that pays for a covered service partly by a fee and partly by tax levy in 2013?**

Yes. The statute applies to covered services that were funded partly or wholly by tax levy in 2013. A municipality that funds a covered service partly by fee and partly by tax levy is required to reduce its levy limit, if it adopts a fee increase on or after July 2, 2013.

**4. Does the provision apply when a municipality that had a covered service for several years which was paid for by a fee, such as a storm water utility, adopts a fee increase?**

- If the covered service was not funded partly or wholly by tax levy in 2013 (i.e., funded 100% by fee), the statute does not apply.
- If the covered service was funded partly by tax levy and partly by fee in 2013, the statute applies to any fee increase adopted on or after July 2, 2013.

**5. Does the provision apply when a municipality begins to provide a covered service for the first time and chooses to fund the service 100% through a fee?**

No. The statute applies to covered services that were provided by a municipality and funded partly or wholly by tax levy in 2013.

**6. Can a municipality create a new fee, such as a fire inspection fee, without being required to adjust its property tax levy limit?**

Fire protection, which includes fire inspection, is a covered service. If a municipality funded its fire protection service partly or wholly by tax levy in 2013 and adopts a new fee or fee increase on or after July 2, 2013, the municipality is required to reduce its levy limit.

**7. A municipality provided a covered service funded partly by levy and partly by fee in 2013. In 2014, it is expecting more fee revenue, not due to an adopted fee increase but from population growth and the increased use of services. Does the municipality need to adjust the levy limit in this situation?**

No. Since the expected fee revenue in 2014 is from population growth and increased service use, it does not need to adjust the levy limit. It only needs to adjust the levy limit if the municipality adopts a new fee or a fee increase on or after July 2, 2013 for covered services (funded partly or wholly by tax levy in 2013).

**8. What can a municipality do if this provision applies and it does not wish to adjust its property tax levy limit?**

The statute states a municipality's governing body can adopt a resolution stating that the levy limit should not be reduced. The resolution must then be approved in a referendum.

If you have questions, contact us at (608) 266-8618 or [lgs@revenue.wi.gov](mailto:lgs@revenue.wi.gov).

**Wisconsin Department of Revenue**  
Division of State and Local Finance  
Local Government Services Bureau

# Levy Limit Fact Sheet

(sec. 66.0602(2m)(b) Wis. Stats.)

Wisconsin Department of

# Revenue

Within the 2013-2015 budget (2013 Wisconsin Act 20), the state created Wis. Stats. sec. 66.0602(2m)(b).

## Statute Summary

On or after July 2, 2013, if a municipality adopts a new fee or a fee increase for covered services (which were partly or wholly funded in 2013 by property tax levy), that municipality must reduce its levy limit in the current year by the amount of the new fee or fee increase, less any previous reductions. This also applies to payments in lieu of taxes.

### The covered services include:

- Garbage collection
- Fire protection
- Snow plowing
- Street sweeping
- Storm water management

## Definitions

The items listed are not all-inclusive.

### Garbage Collection

The collection and disposal of garbage includes:

- Collection of garbage, rubbish and discarded items from properties within the jurisdiction
- Operation of a landfill site, including: incinerators, refuse pulverizer systems, site covering, gate attendants, central collection transfer points, solid waste drop off sites and site monitoring
- **Note:** this does not include recycling

### Fire Protection

Includes all fire protection activities, such as fire fighting training, fire inspection, investigation of fire losses, fire prevention education, fire signs and fire fighting.

## Examples

### Example 1

A municipality funded its fire protection services of \$100,000 by tax levy in 2013. The municipality adopts a new fee of \$25,000 on July 15, 2013 for its 2014 budget.

**Result** – the municipality must reduce its 2013 levy limit by \$25,000

### Example 2

In 2013, a municipality funds its storm water management of \$400,000 partly by tax levy of \$300,000 and partly by fee of \$100,000. On July 8, 2013, the municipality adopts a fee increase of \$50,000 for its 2014 budget.

**Result** – the municipality must reduce its 2013 levy limit by \$50,000

### Example 3

A municipality funds its garbage collection of \$200,000 solely by fee in 2013. On July 20, 2013, the municipality adopts a fee increase of \$30,000.

**Result** – the municipality is not required to adjust (reduce) its levy limit due to this fee increase since the service was not funded partly or wholly by tax levy in 2013



# STORM WATER UTILITY 101

## WHAT DO I NEED TO KNOW?

### REFERENDUM | The Basics

The City of Middleton is considering the adoption of a storm water utility to provide a dedicated funding mechanism for the City to maintain its storm water management system.

Recent changes in State Law (2103 Wisconsin Act 20) require that:

- City property taxes must be reduced by the amount collected by a storm water utility, **UNLESS**
- City voters pass a referendum allowing that the property tax levy **NOT** be reduced.

The City has drafted ordinances to allow for the creation of a storm water utility, subject to approval of a referendum by residents.

The referendum is scheduled to be on the **November 4, 2014** ballot.

### REFERENDUM | The Question

Shall the City of Middleton Storm Water Utility be permitted to charge customers of the Storm Water Utility an annual charge up to \$15.00 per equivalent runoff unit for each property for maintenance of existing storm water management facilities without reducing the levy limit for the charges of the Storm Water Utility?

YES    NO

A "YES" answer means that you **support** the City of Middleton being able to charge utility fees for maintenance of storm water management facilities up to \$15.00 per year for each equivalent runoff unit, spread over all property owners producing storm water runoff in the City of Middleton, beyond maximum property tax revenue levy limits.

A "NO" answer means that you **do not support** the City of Middleton being able to support storm water maintenance projects outside of property taxes.



*High flood waters near Morey Airport*

### CALCULATING THE RATE FEE

A storm water utility customer is any landowner of a property that releases storm water runoff to the City's storm water management system.

Two things are needed to calculate how much a storm water utility customer will pay:

- The amount of impervious surface (pavements, roofs) on the customer's land
- A cost per unit of area

The amount of impervious surface area is expressed as an Equivalent Runoff Unit, or ERU. One ERU in the City of Middleton is defined to be equal to 2,880 square feet, which is the City average quantity of impervious area on a lot with a single family house.

All residential units (single family lots, duplex units and triplex units) will be assigned one ERU each. A non-residential lot with ten times the impervious area of an average single family house would be assigned ten ERUs.

The City could charge up to \$15 for each ERU assigned to a lot. For example, a single family lot (1 ERU) would be charged \$15 each year. A commercial site with 28,800 square feet of impervious surface (10 ERUs) would be charged  $10 \times \$15 = \$150$  per year.



# STORM WATER UTILITY 101

## WHAT DO I NEED TO KNOW?

### WHO ELSE HAS A STORM WATER UTILITY?

At last count, **79** communities in the State of Wisconsin had established a storm water utility. Most have adopted the ERU method to calculate fees due to the simplicity of this approach.

ERU rates across the State range from \$9 to \$126, with a State average rate of **\$60.00**.<sup>1</sup>

Locally, Madison, Monona, McFarland, Fitchburg, Sun Prairie, DeForest, and Verona have implemented storm water utilities.

<sup>1</sup>Average Wisconsin Storm Water Equivalent Residential Unit (ERU) rate, as reported by the Wisconsin Chapter of the American Public Works Association as of June 24, 2014, for communities with storm water utilities utilizing an ERU rate structure.

### WHY NOT JUST USE TAXES?

Property taxes are a common source of funding for maintenance of storm water management systems. A storm water utility offers an alternative revenue source with several advantages:

- The revenue amount is predictable and must be allocated for storm water projects only.
- The cost is distributed to all customer properties in the City, including those that are exempt from property tax.
- The customers who generate the larger share of runoff pay a proportionately larger share of the cost. See charts below for City of Middleton data.

### BREAKDOWN OF REVENUES COLLECTED VIA:

Property Tax System  
(Property Value)



Stormwater Utility  
(Impervious Area)



### WHERE CAN I GET MORE INFORMATION?

For more information on stormwater utility, visit our website at [www.middletonwi.gov/stormwater](http://www.middletonwi.gov/stormwater) or call our office at 608.785.4300. We are also available to answer your questions at our public meetings.





**TO: FINANCE COMMITTEE MEMBERS**

**FROM: MARYANNE GROAT**

**DATE: SEPTEMBER 15, 2014**

**SUBJECT: 2015 CAPITAL IMPROVEMENT PLAN**

The Capital Plan consists of two significant components: infrastructure and other significant capital projects.

The infrastructure plan is developed by the Public Works/Engineering Department. This plan is presented to the Capital Improvements and Street Maintenance Committee (CISM) for review and recommendation.

Other significant capital projects are evaluated and ranked by the CIP Committee. The Capital Improvements Committee is comprised of the Chairperson of the Finance Committee or designee, the Council President or designee, the Chairperson of CISM or designee, the City Finance Director, the Director of Public Works and City Planner. The City defines significant capital projects as any project in excess of \$25,000.

Each department is responsible for developing a capital budget request for the ensuing year. Each department provides priority ranking, funding source recommendations and an operating budget financial impact analysis.

During meetings, staff and department heads, who prepared the capital budget requests, formally present their needs and offer explanations for their requests. The CIP Committee reviews and ranks the capital requests utilizing numeric ranking criteria emphasizing the maintenance of existing assets.

An overall Capital Plan is developed that matches highest ranking priorities against available financial resources with the City's capital needs. The 2015 capital improvement plan anticipates CIP debt issue of a promissory note 10 year issue of \$2,850,000, \$6,000,000 of swimming pool bonds, and tax increment notes of \$1,320,000. In addition the property tax levy projected in the capital plan is \$406,090 which is just shy of a 10% increase or \$35,010 from 2014. Attached is the capital plan budget. The individual department request documentation may be found on the City of Wausau Finance Department web page: <http://www.ci.wausau.wi.us/Departments/Finance/FinancialDocuments.aspx>

# CAPITAL PROJECTS FUND

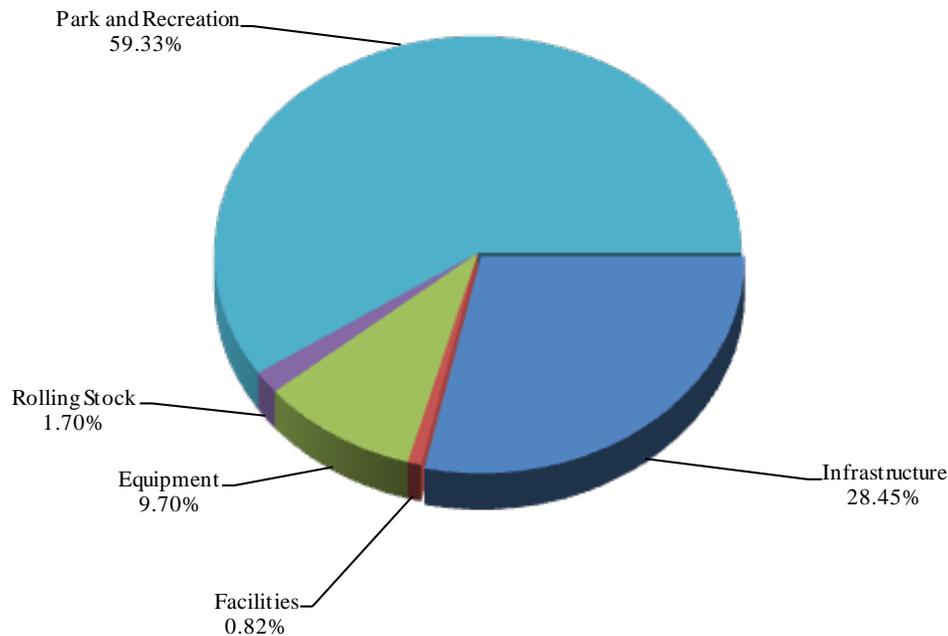
## MISSION:

To maintain and improve the City's infrastructure, facilities and equipment in the most cost-effective and efficient manner.

## RESPONSIBILITIES:

This organization provides the financial resources for capital improvements which are defined as major projects requiring the expenditure of over \$25,000 for the purchase, construction or replacement of physical assets and infrastructure of the City. Revenues to support these expenditures are provided by special assessments, property taxes, grant income and debt proceeds.

## BUDGET:



## BUDGET SUMMARY

	2012	2013	2014			2015	
	Actual	Actual	Adopted Budget	Modified Budget	Estimated Actual	Department Request	Adopted
Contractual Services		\$ 50,328		\$ 185,990	\$ -	\$ -	\$ -
Debt Service		61,147	85,843	85,843			
Capital Outlay	7,683,095	4,899,625	9,178,160	14,769,063	6,860,322	13,852,662	10,206,111
Other Financing Uses		60,941					
<b>Total Expenses</b>	<b>\$ 7,683,095</b>	<b>\$ 5,072,041</b>	<b>\$ 9,264,003</b>	<b>\$ 15,040,896</b>	<b>\$ 6,860,322</b>	<b>\$ 13,852,662</b>	<b>\$ 10,206,111</b>
Taxes	\$ 320,426	\$ 337,345	\$ 371,080	\$ 371,080	\$ 371,080	\$ 406,090	\$ 406,090
Intergovtl Grants/Aids	1,121,201	188,089	273,945	293,334	295,445		
Public Charges	570,662	507,273	359,000	359,000	359,000	359,000	359,000
Intergovtl Charges	15,000	5,694					
Miscellaneous	197,583	203,316	1,250,000	1,250,000	184,621		
Other Financing Sources	3,503,559	6,456,643	6,893,900	7,125,190	4,123,787	9,278,631	9,278,631
<b>Total Revenues</b>	<b>\$ 5,728,431</b>	<b>\$ 7,698,360</b>	<b>\$ 9,147,925</b>	<b>\$ 9,398,604</b>	<b>\$ 5,333,933</b>	<b>\$ 10,043,721</b>	<b>\$ 10,043,721</b>

**CAPITAL PROJECTS FUND**

**CITY OF WAUSAU  
2015 CAPITAL PROGRAM BY FUNDING SOURCE**

<b>PROJECT DESCRIPTION</b>	<b>DEPT</b>	<b>Total Project Costs</b>	<b>Tax Levy Funds</b>	<b>Special Assessments</b>	<b>Grants or Other Income</b>	<b>TID District GO Notes</b>	<b>GO CIP Notes/Bonds</b>	<b>Enterprise Funds</b>	<b>Fund Balance</b>
<b>Infrastructure</b>									
Land Acquisition	DPW	\$ -							
WISDOT Projects	DPW	277,000					277,000		
Street Improvements	DPW	2,558,575		329,000	100,000	1,000,000	1,129,575		
Asphalt Overlay	DPW	685,000				185,000	500,000		
Sidewalk Projects	DPW	275,000		30,000		60,000	185,000		
Storm Sewer	DPW	278,000				50,000	228,000		
Concrete Improvements	DPW	150,000			25,000	25,000	100,000		
Water Projects	WS	1,400,000						1,400,000	
Sewer/Wastewater Projects	WS	860,000						860,000	
Total Infrastructure		\$ 6,483,575	\$ -	\$ 359,000	\$ 125,000	\$ 1,320,000	\$ 2,419,575	\$ 2,260,000	-
<b>Facilities</b>									
Consulting for DPW Facility Study	DPW	\$ 44,000	\$ 44,000						
Platform and Counter Balance Gangway	DPW	40,000	40,000						
Total Facilities		\$ 84,000	\$ 84,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Equipment and Technology</b>									
Police Radios	Police	\$ 38,844	\$ 38,844						
Fire SCBA	Fire	235,141					235,141		
Fire Fit Testing	Fire	17,810	17,810						
Fire Radios	Fire	41,826	41,826						
Personal Protective Equipment (PPE)	Fire	36,060	36,060						
Shop Hoist Replacement	MetroRide	195,000					195,000		
Othophotography		80,000						80,000	
Server Network Equipment	CCITC	55,000	10,000						45,000
Video and Voice Enhancements	CCITC	33,000	11,200					21,800	
Ruggedized Hardware for DPW	CCITC	28,655						28,655	
Email Upgrade	CCITC	36,150	36,150						
PC Replacement	CCITC	45,000	45,000						
Microsoft Windows Server 2003 Eradication	CCITC	117,390							117,390
IBM Power Server (LRS) Upgrade	CCITC	30,000	30,000						
Total Equipment		\$ 989,876	\$ 266,890	\$ -	\$ -	\$ -	\$ 430,141	\$ 130,455	\$ 162,390
<b>Rolling Stock</b>									
Park Rolling Stock	Parks	\$ 173,460						\$ 173,460	
Public Works Rolling Stock	DPW	1,200,994						1,200,994	
Total Rolling Stock		\$ 1,374,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,374,454	\$ -
<b>Park and Recreation Areas</b>									
Radtke Point	Parks	\$ 55,200	\$ 55,200						
River Edge Trail		1,000,000			1,000,000				
Swimming Pool Upgrade	Parks	6,000,000					6,000,000		
Total Parks/Recreation		\$ 7,055,200	\$ 55,200	\$ -	\$ 1,000,000	\$ -	\$ 6,000,000	\$ -	\$ -
<b>TOTAL CAPITAL COSTS</b>		<b>\$15,987,105</b>	<b>\$406,090</b>	<b>\$ 359,000</b>	<b>\$ 1,125,000</b>	<b>\$ 1,320,000</b>	<b>\$ 8,849,716</b>	<b>\$ 3,764,909</b>	<b>\$ 162,390</b>

**CAPITAL PROJECTS FUND**

**CITY OF WAUSAU CAPITAL BUDGET  
DETAIL ANALYSIS OF 2015 INFRASTRUCTURE PROJECTS**

	ACCOUNT NO.	SPECIAL FUNDING SOURCE	TOTAL REQUEST	SPECIAL FUNDING	DEFERRED TO FUTURE YEAR	2015 BUDGET
<b>LAND ACQUISITION</b>						
Miscellaneous	150 231098305					\$ -
Thomas Street Widening		TID #6	4,500,000	4,500,000		-
<b>TOTAL LAND ACQUISITION</b>			<u>\$ 4,500,000</u>	<u>\$ 4,500,000</u>	<u>\$ -</u>	<u>\$ -</u>
<b>DOT PROJECTS</b>						
1st Avenue, Thomas Street to Stewart Design			236,000			236,000
Townline Road, Grand Avenue to Easthill Drive			41,000			41,000
<b>TOTAL DOT PROJECTS</b>			<u>\$ 277,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,000</u>
<b>STREET IMPROVEMENTS</b>						
	150 232098230					
McClellan Street, 1st Street to 7th Street (Includes Decorative Lighting)			\$ 721,000		\$ 721,000	\$ -
Grant Street, 1st Street to 3rd Street (Includes Decorative Lighting)			180,500		180,500	-
Grant Street, Bellis Street to 10th Street			202,500			202,500
North 11th Street, McClellan Street to Franklin Street			157,700			157,700
Ashland Avenue, Evergreen Road to Meadowview Road			68,500		68,500	-
Meadowview Road, Ashland Avenue to cul-de-sac			105,750		105,750	-
South 22nd Avenue, Nehring Street to cul-de-sac		CDBG?	263,000			263,000
Flieth Street, Park Boulevard to South 11th Avenue			340,000			340,000
North 7th Street, Spring Street to Crocker Street			129,375			129,375
Crocker Street, 7th Street to 13th Street			426,000			426,000
2nd Avenue, Stewart Avenue to Elm Street		TID #8	850,000	850,000		-
Clark Street (Includes streetscapes and lighting)		TID #8	150,000	150,000		-
<b>TOTAL STREET IMPROVEMENTS</b>			<u>\$ 3,594,325</u>	<u>\$ 1,000,000</u>	<u>\$ 1,075,750</u>	<u>\$ 1,518,575</u>
<b>BOULEVARD TREES &amp; LANDSCAPING</b>						
	150 232098237					
For 2015 project streets and subdivisions			40,000			\$ 40,000
			<u>\$ 40,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>
<b>THOMAS STREET</b>						
	144 344998212					
Thomas Street Design		TID #6	150,000	150,000		\$ -
			<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</u>
<b>ASPHALT OVERLAY AND ALLEY PAVING</b>						
Asphalt Paving (includes McClellan and Grant in TID 3)	150 232698230		\$ 1,185,000	185,000	\$ 500,000	\$ 500,000
Alley Paving	150 232698236		40,000		40,000	-
<b>TOTAL ASPHALT OVERLAY AND ALLEY PAVING</b>			<u>\$ 1,225,000</u>	<u>\$ 185,000</u>	<u>\$ 540,000</u>	<u>\$ 500,000</u>
<b>SIDEWALKS</b>						
Annual Sidewalk Replacement Contract	150 233098240		300,000		100,000	\$ 200,000
New Sidewalk - RR Crossing at Trolley Quarter Flats; North side of Bridge Street from CVS to Graphic Packaging	150 23309824	TID 3	\$ 75,000	60,000		15,000
<b>TOTAL SIDEWALKS</b>			<u>\$ 375,000</u>	<u>\$ 60,000</u>	<u>\$ 100,000</u>	<u>\$ 215,000</u>
<b>OTHER PROFESSIONAL SERVICES</b>						
	150 236592190					
Unanticipated Engineering Studies		Carryover Existing Balance	\$ -	-		-
<b>TOTAL OTHER PROFESSIONAL SERVICES</b>			<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## CAPITAL PROJECTS FUND

### CITY OF WAUSAU CAPITAL BUDGET DETAIL ANALYSIS OF 2015 INFRASTRUCTURE PROJECTS

ACCOUNT NO.	SPECIAL FUNDING SOURCE	TOTAL REQUEST	SPECIAL FUNDING	DEFERRED TO FUTURE YEAR	2015 BUDGET
<b>STORMSEWER</b>					
150 236198250					
2nd Avenue, Stewart Avenue to Elm Street	TID #8	\$ 50,000	50,000	\$ -	\$ -
7th Street, Spring Street to Crocker Street		35,000			35,000
Crocker Street, 7th Street to 13th Street		60,000			60,000
McClellan Street, 1st Street to 7th Street		250,000		250,000	-
Grant Street, 1st Street to 3rd Street		30,000		30,000	-
Grant Street, Bellis Street to 10th Street		50,000			50,000
Unanticipated Projects and Studies		75,000		50,000	25,000
Storm Water Management		100,000		100,000	-
Storm Sewer Outfall Repair - WI River Outfalls		100,000		100,000	-
DNR Non-Point Source Stormwater Management		58,000			58,000
Stormwater Utility Consultant		50,000		50,000	-
Other Costs - DNR fees, Outreach Program, Training		12,500	12,500		-
<b>TOTAL STORM SEWER</b>		<b>\$ 870,500</b>	<b>\$ 50,000</b>	<b>\$ 580,000</b>	<b>\$ 228,000</b>
<b>OTHER CAPITAL EXPENDITURES</b>					
150 236598290					
Concrete Pavement Repairs (joints/cracks)		\$ 300,000	25,000	\$ 175,000	\$ 100,000
Pavement Markings		100,000		100,000	-
Streetscape		50,000		50,000	-
Curb Replacement		20,000		20,000	-
HK Soccer Complex - Fencing	HoltzKrause Fd	25,000	25,000		25,000
<b>TOTAL OTHER CAPITAL REPAIRS</b>		<b>\$ 495,000</b>	<b>\$ 25,000</b>	<b>\$ 325,000</b>	<b>\$ 125,000</b>
<b>GIS HARDWARE/SOFTWARE</b>					
150 237598416					
Pictometry Photos & Software		\$ 38,000			\$ 38,000
<b>TOTAL GIS HARDWARE/SOFTWARE</b>		<b>\$ 38,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38,000</b>
<b>INDUSTRIAL PARK</b>					
Property Acquisition for expansion (Stettin Dr)		\$ 175,000	175,000		\$ -
Multi-Use Trail		750,000	750,000	\$ -	\$ -
<b>TOTAL INDUSTRIAL PARK</b>		<b>\$ 925,000</b>	<b>\$ 925,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>WATERMAINS</b>					
River Drive	Utility	\$ 80,000	\$ 80,000	\$ -	\$ -
17th Street, Bridge Street to south	Utility	35,000	35,000	\$ -	-
2nd Avenue, Stewart Avenue to Elm Street	Utility	35,000	35,000		-
North 7th Street, Spring Street to Crocker Street	Utility	35,000	35,000		-
Crocker Street, 7th Street to 13th Street	Utility	120,000	120,000		-
North 11th Street, McClellan to Franklin	Utility	35,000	35,000		-
Grant Street, Bellis Street to 10th Street	Utility	80,000	80,000		-
Northwestern Avenue	Utility	130,000	130,000		-
Plaza Drive Relining	Utility	350,000	350,000		-
Unanticipated Projects	Utility	500,000	500,000		-
<b>TOTAL WATER MAINS</b>		<b>\$ 1,400,000</b>	<b>\$ 1,400,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>SANITARY SEWER</b>					
2nd Avenue, Stewart Avenue to Elm Street	Utility	25,000	25,000		-
North 7th Street, Spring Street to Crocker Street	Utility	30,000	30,000		-
Crocker Street, 7th Street to 13th Street	Utility	80,000	80,000		-
North 11th Street, McClellan Street to Franklin Street	Utility	25,000	25,000		-
Grant Street, Bellis Street to North 10th Street	Utility	40,000	40,000		-
Northwestern Avenue	Utility	160,000	160,000		-
Unanticipated Projects	Utility	500,000	500,000		-
<b>TOTAL SANITARY SEWER</b>		<b>\$ 860,000</b>	<b>\$ 860,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>GRAND TOTAL</b>		<b>\$ 14,749,825</b>	<b>\$ 10,117,500</b>	<b>\$ 2,640,750</b>	<b>\$ 2,941,575</b>

**CAPITAL PROJECTS FUND**

**CAPITAL IMPROVEMENT PROGRAM  
2015 REQUEST RATING FORM SUMMARY**

		<b>REQUEST</b>	<b>FUNDED</b>	<b>AVERAGE RANKING</b>
Memorial and Schulenburg Pool Remodels	Park	\$6,000,000	\$6,000,000	100
Radio Replacement	Fire	\$41,826	\$41,826	94
Self-Contained Breathing Apparatus (SCBA)	Fire	\$235,141	\$235,141	91
Personal Protective Equipment (PPE)	Fire	\$36,060	\$36,060	90
Police Radios - TAIT Portables	Police	\$25,212	\$25,212	90
Fit Testing Equipment	Fire	\$17,810	\$17,810	88
Wausau River Edge Trail - Donated Funds	Park	\$1,000,000	\$1,000,000	88
EMS Equipment	Fire	\$29,300		87
Thermal Imaging Equipment	Fire	\$29,925		85
LED Low Level Retrofit -2015	DPW	\$94,100		78
Mobile Security Software	CCITCC	\$19,965		74
Vehicle Replacement-2015	DPW	\$1,200,994	\$1,200,994	73
Radtke Point Erosion Control	Park	\$55,200	\$55,200	71
Shop Hoist Replacement	Transit	\$195,000	\$195,000	69
Video and Voice System Enhancements	CCITCC	\$33,000	\$33,000	65
IBM Power Server (LRS) Upgrade	CCITCC	\$30,000	\$30,000	64
Loan Tracking Software (Replace in LRS)	CCITCC	\$85,000		63
Park Rolling Stock-2015	Park	\$173,460	\$173,460	63
Server Network Equipment	CCITCC	\$55,000	\$55,000	58
Platform & Counter-balance Gangway	DPW	\$40,000	\$40,000	58
GIS Base Map/ Orthophotography	DPW	\$80,000	\$80,000	58
Building Zone Dampers	Fire	\$5,000		58
Mezzanine for Building #1	DPW	\$25,000		57
Sand/ Salt Conveyor Refurbish	DPW	\$30,000		57
Wall Replacement by Salt Dome	DPW	\$12,000	\$12,000	57
Police Dept Boiler	Maintenance	\$32,000		57
MS Windows Server 2003 Eradication	CCITCC	\$117,390	\$117,390	56
City Wayfinding Project	CommDev	\$350,000		56
PC Replacement - Add Mobile Devices	CCITCC	\$85,000	\$45,000	55
Replace iSeries Municipal Court App	CCITCC	\$40,876		54
Police Dept Facility Improvement	Maintenance	\$58,600		51
Ruggedized Hardware for DPW & Eng	CCITCC	\$28,655	\$28,655	49
E-mail System Upgrade	CCITCC	\$36,150	\$36,150	48
McCleary Street Improvement	DPW	\$51,200		48
T-Hangar 01-10 Maintenance	Airport	\$65,000		46
Consulting for DPW Upgrade	DPW	\$100,000	\$44,000	45
Artificial Grass	DPW	\$54,900		44
Storage Building	DPW	\$15,000		44
Dog Park Design	Park	\$30,000		43
City Hall Basement Project	Maintenance	\$26,900		35

The Committee ranked capital requests based upon pre-established criteria including:

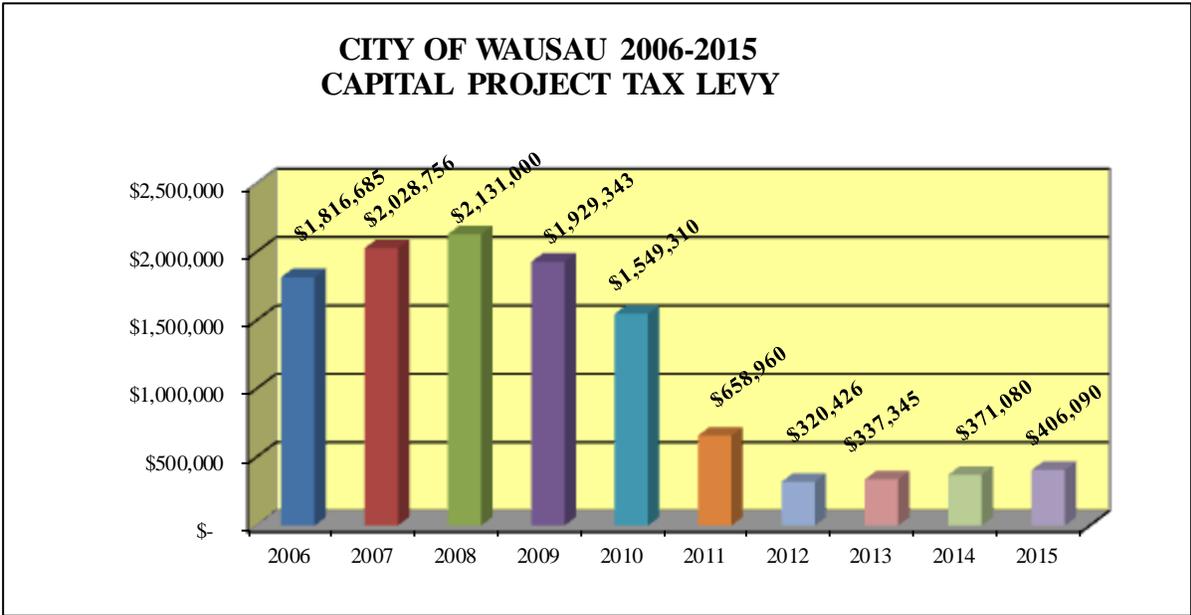
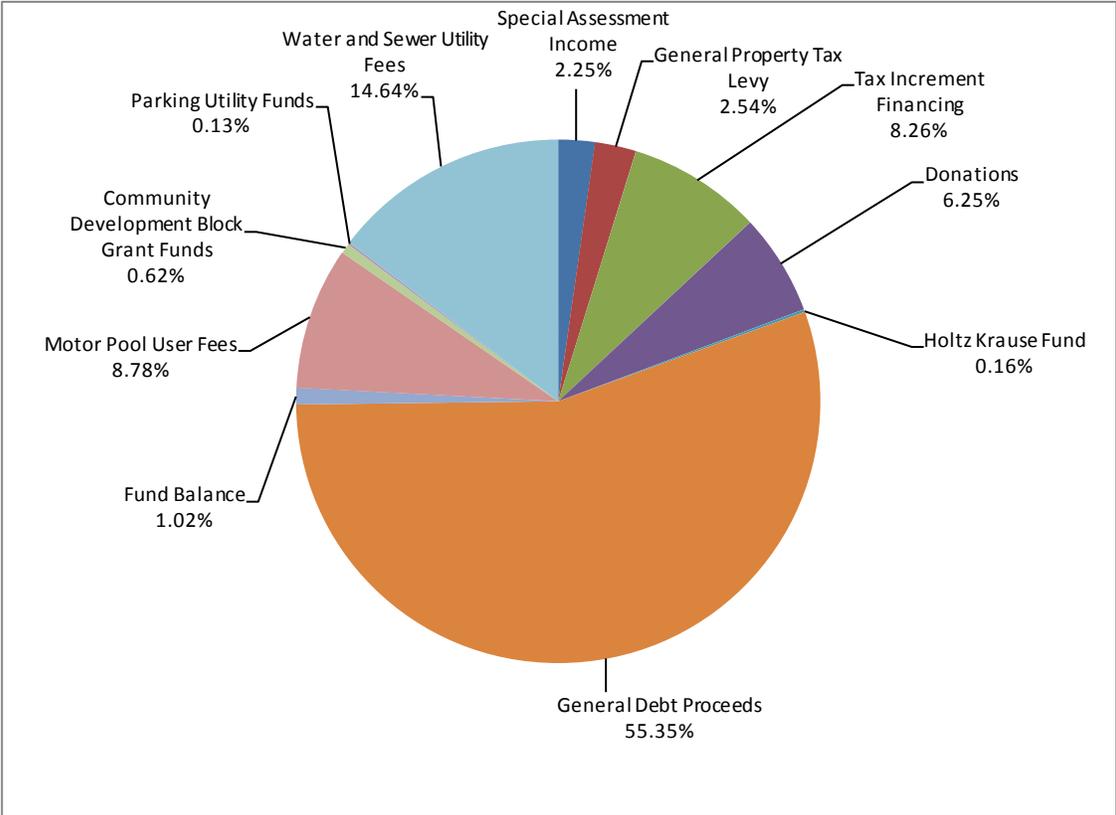
- Consistency with Community Goals and Plans
- Public Health and Safety
- Mandated or Other Legal Requirements
- Maintaining Existing Service Levels
- Area Served/Extent of Benefit
- Public Perception of Need
- Impact on Operating Efficiencies

- Feasibility of the Project
- Blight and Crime Elimination
- Operational Budget Impact
- Impact of Deferring the Project
- Impact on the Environment
- Relationship with Other Projects

# CAPITAL PROJECTS FUND

## REVENUES:

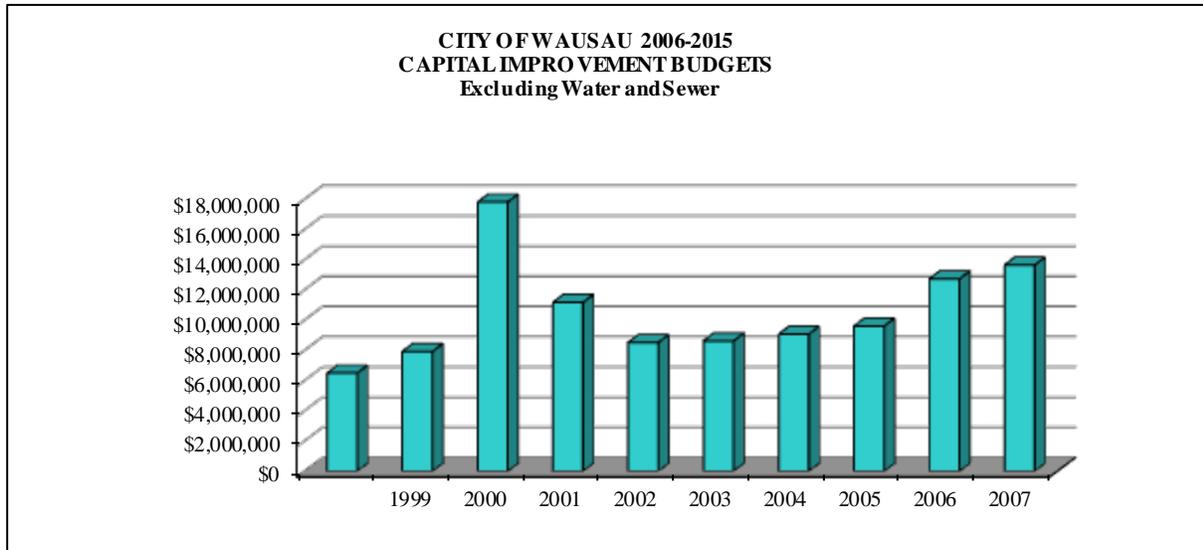
As depicted in the chart below the capital budget is funded by a variety of revenue sources which fluctuate each year based upon the projects.



Historically, the State has reacted to economic difficulties by reducing state aids. Rather than reducing services, the City has looked at other revenue sources to fund the capital plan and reduced the amount of general property tax funds committed to these important projects.

## CAPITAL PROJECTS FUND

Below is a historic review of the capital plan excluding Water and Sewer Utility Projects from 2006 to 2015. The peak year of 2008 included bus purchases of \$3,326,000 which are 80% funded by grants and major DOT projects in Tax Increment Districts 6 and 7 of \$3,780,168. The 2014 and 2015 increases are primarily due to the pool projects.



### BUDGETARY HISTORY:

YEAR	EXPENSES	INCREASE (DECREASE) FROM THE PREVIOUS YEAR	
		DOLLAR	PERCENT
2015	\$10,206,111	\$942,108	10.17%
2014	\$9,264,003	\$4,754,879	105.45%
2013	\$4,509,124	(\$492,618)	-9.85%
2012	\$5,001,742	(\$344,618)	-6.45%
2011	\$5,346,360	(\$477,200)	-8.19%
2010	\$5,823,560	(\$1,989,788)	-25.47%
2009	\$7,813,348	(\$3,008,162)	-27.80%
2008	\$10,821,510	\$4,621,929	74.55%
2007	\$6,199,581	\$498,596	8.75%
2006	\$5,700,985	(\$513,809)	-8.27%

YEAR	REVENUES	INCREASE (DECREASE) FROM THE PREVIOUS YEAR	
		DOLLAR	PERCENT
2015	\$9,637,631	\$860,786	9.81%
2014	\$8,776,845	\$4,968,566	130.47%
2013	\$3,808,279	(\$373,037)	-8.92%
2012	\$4,181,316	(\$356,084)	-7.85%
2011	\$4,537,400	\$439,150	10.72%
2010	\$4,098,250	(\$1,526,305)	-27.14%
2009	\$5,624,555	(\$2,983,455)	-34.66%
2008	\$8,608,010	\$4,437,185	106.39%
2007	\$4,170,825	\$286,525	7.38%
2006	\$3,884,300	(\$524,680)	-11.90%



**TO:** FINANCE COMMITTEE MEMBERS

**FROM:** MARYANNE GROAT

**DATE:** SEPTEMBER 15, 2014

**SUBJECT:** REVI DESIGN INVOICE – PREVAILING WAGE RATES BUDGET MODIFICATION

On May 27<sup>th</sup> the Finance Committee approved a budget modification within Tax Increment District Number Six for the payment of the prevailing wage rates from the Stewart Avenue Median Project. This was approved by the Finance Committee on a vote of 5-0. The resolution was withdrawn on the Council floor on June 10, 2014.

The issue was reconsidered by the Finance Committee on June 10<sup>th</sup>, 2014 and determined that more information was needed regarding the prevailing wage rate computation. Additional information was obtained from Revi-Design and additional verification procedures were performed by staff. These additional procedures modified the computation slightly from the original \$18,893.30 to \$18,999.54. In addition, Revi-Design requested the City reimburse their additional payroll obligations including social security, unemployment and payroll processing. The committee tabled the issued again on July 8<sup>th</sup>. I called the Department of Work Force Development after the July meeting inquiring about the possibility of their assistance on payroll verification/audit. They declined assistance and indicated that they would not perform an audit. The item was placed on the July 22<sup>nd</sup> agenda but time constraints versus agenda items prevented consideration.

Revi-Design has called requesting payment. The law states that it is the city's obligation to pay. I have reviewed the payroll records and determined the hours specific staff worked on the project and the hourly rate shortfall to prevailing wages. I unaware of additional work that can be done that will satisfy the committee. City staff can't process payment without a budget modification.

Attached is a revised budget modification. The finance committee's needs to determine whether the budget modification should be for \$18,999.54 which is for payroll only or \$22,814.33 which includes the employer share of payroll taxes and payroll processing costs.

Attached are excerpts of the meeting minutes related to consideration of this item and the last finance memo covering the prevailing wage rates issue.

**RESOLUTION OF THE FINANCE COMMITTEE**

Approving 2014 Budget Modification Tax Increment District Number Six Highway 52 Median Landscape Project

Committee Action:   Approved

Fiscal Impact:

**File Number:**       13-1109

**Date Introduced:**   October 14, 2014

**RESOLUTION**

**WHEREAS**, the Department of Public Works has received the completed Prime Contractor Affidavit of Compliance with Prevailing Wage Rate Determination from Revi Design, Inc. and

**WHEREAS**, the document indicates that an additional payment of \$18,893.30 is required to comply with the prevailing wage rates; and

**WHEREAS**, no budget was established for this payment in the 2014 budget; and

**WHEREAS**, the Finance Committee has considered and recommends a budget modification to increase the TID #6 budget in the amount of \$\_\_\_\_\_ with the financing to be provided the Tax Increment District

**NOW THEREFORE BE IT RESOLVED**, by the Common Council of the City of Wausau that the proper City Officials be and are hereby authorized and directed to modify and increase the 2014 budget as follows:

144- 345298746 Streetscape Project.....\$\_\_\_\_\_

**BE IT FURTHER RESOLVED** this budget modification be published in the official newspaper as required.

Approved:

\_\_\_\_\_  
James E. Tipple, Mayor

**FINANCE COMMITTEE**

Date and Time: Tuesday, May 27, 2014 @ 5:45 pm., Board Room

Members Present: Winters (C), Nagle, Oberbeck, Nutting, Kellbach

Others Present: Tipple, Groat, Jacobson, Giese, Loy, Rasmussen, Wagner, Gisselman, Mielke, Neal, Abitz, Werth, M. Lawrence, Kujawa, Barnes, John Chmiel, Keven Fabel, Kristen Fish, media.

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner. It was noted that there was a quorum present and the meeting was called to order by current Chairperson Winters.

**Consider Budget Modification - Tax Increment District Number Six to fund additional costs for the Hwy 52 median landscaping project – Marquardt**

Marquardt stated this was the additional cost of \$18,893.30 for Revi to pay prevailing wages to their workers.

Motion by Nutting, second by Oberbeck to approve the budget modification of \$18,893.30 to fund the additional costs for the Hwy 52 median landscaping project. Motion carried 5-0.



**OFFICIAL PROCEEDINGS OF THE WAUSAU COMMON COUNCIL**  
held on Tuesday, June 10, 2014, at 7:00 pm in the Council Chambers at City Hall.  
Mayor Tipple presiding.

**Roll Call**

06/10/2014 7:03:10 PM

Roll Call vote indicated 10 members present.

<u>District</u>	<u>Aldersperson</u>	<u>Present</u>
1	Nagle, William P.	YES
2	Wagner, Romey	YES
3	Nutting, David E.	NV
4	Neal, Tom	YES
5	Gisselman, Gary	YES
6	Winters, Keene	YES
7	Rasmussen, Lisa	YES
8	Kellbach, Karen	YES
9	Oberbeck, David	YES
10	Abitz, Sherry	YES
11	Mielke, Robert	YES

**13-1109 Withdrawn from the agenda**

Resolution of the Finance Committee Approving 2014 Budget Modification Tax Increment District Number Six Highway 52 Median Landscape Project

**FINANCE COMMITTEE**

Date and Time: Tuesday, June 10, 2014 @ 5:15 pm., Board Room

Members Present: Nagle, Oberbeck, Winters, Kellbach

Members Excused: Nutting

Others Present: Tipple, Groat, Jacobson, Giese, Marquardt, Rasmussen, Gisselman, Mielke, Abitz, Kujawa, Mark Hanson, Deb Ryan, Goede, and media.

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner. It was noted that there was a quorum present and the meeting was called to order by Chairperson Winters.

**Discussion and possible action on the Affidavit of Compliance Revi Design**

Oberbeck indicated he requested a complete listing of how Revi justified an additional nearly \$19,000 on a \$24,125 bill which seems high. He did not feel the data provided was totally complete because it does not include fringe benefits and was basically just check stubs. He felt there should have been an accounting for the number of hours, the base rate, as well as fringe benefits and then compared that to the state prevailing wage rates. He did not feel they could approve the project modification as it currently stands.

Winters calculated the original invoice of 670 hours of labor at \$28.20 per hour; the second invoice is for an additional \$36.00 per hour, for a total billing of \$64.20 per hour. He commented there is no category in the prevailing wage rates that makes this much. Oberbeck stated the closest category would be for landscape on streets, which is \$43.67 per hour. Winters questioned if the committee wanted to reconsider the previous action approving this bill, which was on the Council agenda tonight. Oberbeck stated we need to obtain the justification first to make sure that we are not over billed.

Motion by Nagle, second by Oberbeck to reconsider the previous Finance Committee action approving the budget modification to TID #6 regarding the landscaping of Hwy 52 median (Revi Design). Motion carried 4-0.

Motion by Oberbeck, second by Nagle to table the budget modification to TID #6 regarding landscaping of Hwy 52 median (Revi Design), until additional information is provided. Motion carried 4-0.

\*\*\*\*\*

**FINANCE COMMITTEE**

Date and Time: Tuesday, July 8, 2014 @ 4:30 pm., Board Room

Members Present: Nagle, Oberbeck, Winters, Kellbach, Nutting

Others Present: Tipple, Groat, Giese, Hite, Bohn, Jacobson, Kujawa, Mohelnitzky, Stratz, Werth, Wagner, Neal, Gisselman, Mielke, Chris Barr, Goede

In accordance with Chapter 19, Wisc. Statutes, notice of this meeting was posted and sent to the Daily Herald in the proper manner. It was noted that there was a quorum present and the meeting was called to order by Chairperson Winters.

**Consider Staff Analysis & Conclusions Regarding Prevailing Wage Invoice from Revi Design - (Marvanne Groat)**

The committee reviewed and discussed the invoices included in the committee packet, as well as a handout regarding a schedule of positions and hours worked for those positions. Groat read the prevailing wage rate law and stated that she, along with the City Attorney, interpreted it to mean that the city's obligation was to pay Revi Design the difference of \$18,999.79. She stated there was some confusion at the DWD as to whether we were obligated to reimburse Revi for the social security on those additional wages. She indicated DWD subsequently called her and stated the taxes were only discretionary, but recommended that we reimburse these additional expenses. Oberbeck still had questions on the actual costs and did not believe the numbers were matching up to the contract.

Jeff Nowak, owner of Revi Design, stated the determination of the state is what the submitted bill is based off of and nothing else. He provided the state with the time documents, pay stubs, an analysis of each person's week and overtime associated with it. He indicated he signed the affidavit and has paid his employees, as well as the social security and Medicare taxes. He believed the state is the one that should ultimately be doing the audit, not the City of Wausau. He recommended an audit be presented to the state to be compiled to determine if he was in compliance with the affidavit that he signed.

Winters indicated he needed some more information before making a decision and wanted it tabled until the next meeting.

Motion by Kellbach, second by Nutting to table. Motion carried 5-0.



## **STAFF REPORT ON PREVAILING WAGE INVOICE REVI DESIGN MEDIAN PROJECT**

### **BACK GROUND INFORMATION**

The Finance Committee requested the City obtain additional information regarding the costs associated with the implementation of prevailing wage rates for the Revi Design median project and tabled a budget modification necessary to finance the city's obligation to Revi Design for prevailing wage rates.

I obtained a copy of the wage determination issued by the State of Wisconsin Department of Workforce Development dated February 4, 2014. The department provides for a 30 day period to contest the determination. The City did not file an opposition. The State determined the wage rate for Landscapers to be:

Hourly Basic Rate	\$29.04
Hourly Fringe Benefits	\$14.63
Total	\$43.67

Additional information provided by the State DWD regarding the utilization of prevailing wages included:

- 1.5 times the hourly basic rate must be paid over 10 hours per day /40 hours per week
- Prevailing wage rates only impact workers wearing a "tool belt". Thus employees performing in purely supervisory, project oversight, general administration and design roles are exempt from prevailing wages.
- Fringe benefits provided by Revi Design including holiday and vacation pay along with health insurance should be converted to an hourly benefit and added to the hourly rate paid by the employer prior to calculating the amount due for prevailing wage rates.
- The employer is obligated to pay social security benefits, unemployment compensation, and payroll processing costs which are considered other liquidated damages and are eligible for reimbursement from the city. These amounts have been itemized on the new/ revised invoices. I verified the eligibility of these expenses for reimbursement with WDW staff.

Revi Design provided sufficient documentation to evaluate the computation of the wage rate invoice:

- Pay check stubs for employees working on the project which included hourly and overtime rates.
- Number of hours each employee worked on the project.
- Fringe benefits provided to employees converted to an hourly rate.

I initially evaluated the reasonableness of the invoice received from Revi Design by computing the wage rate disparity of \$29.42 times the 670 total project hours which computes to an amount due of \$19,711. The wage disparity was determined based upon the average hourly rate of \$14.25 paid to the workers as compared to the prevailing wage rate of \$43.67. This reasonableness test compared well to the \$18,893.30 invoiced by Revi Design in May.

In addition, I computed the rate by re-calculating the amount owed to each employee. In this instance, I found adjustments necessary for the overtime compensation when staff worked over 10 hours per day or 40 hours per week. This resulted in a small minor change reflected in the revised invoice.

A summary of the charges is as follows:

Prevailing wage adjustment	\$18,999.54
FICA	1,453.48
Fed Unemployment	211.07
State Unemployment	1,348.99
Payroll Processing	801.25
TOTAL	\$22,814.33

Through discussions, Revi Design provided a general outline of other project costs attributed to the project such as foreman and office staff who are exempt from prevailing wage rates. These individuals are responsible for organization of the job, materials and staffing. In addition, the job utilized approximately 120 hours of equipment time.

Requested a billing rate for each employee. Revi-Design representatives stated that this was a lump sum priced job and as such individual billing rates for each employee were not determined. The \$45 per hour is provided in all contracts to communicate the rate to be charged when unforeseen issues arise.

Based upon my review of the calculations, the wage determination and my discussions with DWD staff, I believe the invoice presented is an obligation of the City's.



revi DESIGN, LLC.  
911 Sixth Street  
Wausau, WI 54403  
Phone: 715.355.REVI(7384)  
Fax: 715.393.4432  
www.revi-design.com

revi DESIGN, LLC. will provide & install the following landscape elements as per request for:

The City Of Wausau | Attention: Brad Marquardt

Project: Landscape-Hardscaping | Stewart Avenue Median | Wausau, WI

**Landscape Revitalization and Rejuvenation (New Construction - Plantings):**

- 1. Preparation and Installation of (18), 4" caliper deciduous trees & approx. (640), 1 gal. ornamental grasses finished with decorative stone mulch(TBD) throughout median and at median ends per plans and specifications.

\*Total - Labor: -----\$ 7,825.00\*

**Landscape Revitalization and Rejuvenation (New Construction - Sod):**

- 2. Preparation and Installation of approx. (25,849) square feet of Sod per plans and specifications.

3. \*Total - Labor: -----\$ 4,900.00\*

**Landscape Revitalization and Rejuvenation (New Construction - Boulders):**

- 4. Preparation and Installation of approx. (21), 4.2 Ton/EA natural/fractured boulders throughout center two-thirds of median per plans and specifications.

5. \*Total - Labor: -----\$ 2,100.00\*

**Landscape Revitalization and Rejuvenation (New Construction - LED Lighting):**

- 6. Preparation and Installation of (9), Kichler uplight LED (20 watt equivalent) 60 degree beam spread & (6), Kichler uplight LED (35 watt equivalent) 60 degree beam spread to illuminate the blue heron sculptures, with the intent to wash only the herons with light and not the pole to give the appearance of flight at night time. Secondly, (50), Kichler Inground LED (50 watt equivalent) to illuminate the 4" caliper deciduous trees(two per tree). Lastly we would be powering all of this material with (3), Kichler 300 watt transformers per plans and specifications.

7. \*Total - Labor: -----\$ 3,800.00\*

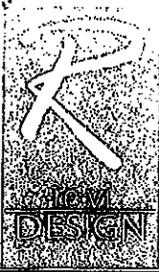
**Landscape Revitalization and Rejuvenation (New Construction - Irrigation):**

- 8. Preparation and Installation of (1), code compliant-full coverage irrigation system using all Rainbird equipment per plans and specifications.

\*Total - Labor (Rotors): -----\$ 5,700.00\*

*Please note that all disturbed areas from construction damage, will be restored and returned to their pre-construction state\**

WI Sales Tax is not included in estimate



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**TERMS**

- 1) Signing of contract & Signing of supplemental conditions/warranty of contract.
- 2) Receipt of thirty percent (30%) down payment & agreement of revi DESIGN, LLC. payment schedule.
- 3) Balance due upon completion Invoices due upon receipt.

ACCEPTED:

  
\_\_\_\_\_  
10/1/13  
Date

ACKNOWLEDGED:

  
\_\_\_\_\_  
revi DESIGN, LLC.  
10-01-2013  
Date

**SPECIAL CONDITIONS**

In addition to items **not included** that have been stated throughout this document, **the additional items below are not included** in this proposal at this time.

This list may not be all inclusive:

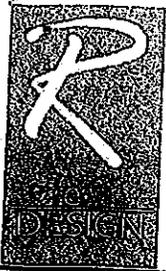
Utility Access and permits for the water feature, such as gas and electric, are to be provided by others.

- Please note: **Electric** for irrigation, outdoor lighting systems, audio systems, and the water features needs to be evaluated. Locations for these systems needs to be determined.

These items are not included in revi DESIGN, LLC. Contract.

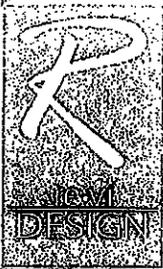
**SUPPLEMENTAL CONDITIONS**

- 1) Scope: revi DESIGN, LLC. shall furnish all materials, tools, equipment, and labor necessary to execute the attached proposal in a substantial and workmanlike manner.
- 2) Revision: This proposal is subject to revision if not accepted within thirty days as availability and cost of many materials is not constant. The proposal is based on the present condition in the landscape at the time of contract presentation. Any alteration or deviation from existing landscape conditions involving additional costs will be executed only upon written change order and will become an additional charge over and above the current proposal.
- 3) Owner's Responsibility: Unless otherwise stated in writing, it is the owner's responsibility to insure adequate water supply for plant materials, lawns, etc. It is also the owner's responsibility to provide reasonable access to areas where constructions/planting are to occur. All construction debris not as a direct result of proposed work, will be left on site for owner to dispose of, to include rock, concrete, masonry, wood, etc.
- 4) Unavoidable Interruptions: revi DESIGN, LLC. shall not be held responsible or liable for any loss, damage, or delay caused by weather, strikes, accidents, or any other delays beyond our control.
- 5) Locating Underground Utilities and Property Boundaries: A property may or may not have underground wiring and pipes that are privately owned and underground wiring and pipes that are utility owned. Prior to the start of the project, revi DESIGN, LLC. will have all utility owned wiring and pipe located by Digger's Hotline as required by Wisconsin State Law. Digger's Hotline does not locate privately owned underground wiring and pipes. The owner(s) are responsible for marking the location of all private utilities including, but not limited to: septic, irrigation components, private electric, gas lines, underground pet fences, etc. revi DESIGN, LLC. cannot be responsible for any damage caused by improperly marked private utilities. \*The owner(s) shall be responsible to provide revi DESIGN, LLC. with an up to date plat of survey of the subject property or clearly mark the location of property lines and corners.



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- 6) **Insurance:** Owner will carry necessary fire and casualty insurance. revi DESIGN, LLC. has in force a comprehensive general liability insurance policy and its employees are fully covered by Workers Compensation Insurance.
- 7) **Settling/Erosion:** revi DESIGN, LLC. will not be responsible for settling of areas where utility lines or uncompacted fill dirt has been installed. **Erosion:** revi DESIGN, LLC. cannot be held responsible or held liable for natural erosion that may occur after the completion of construction.
- 8) **Winter Protection:** In the event that installation of project occurs during inclement weather and the need arises to protect completed work or work in progress, Owner will be responsible for all costs incurred. These costs may include materials to erect temporary tenting structures to house and protect work. These costs may include rental or heat source unit and direct cost of energy needed to protect work.
- 9) **Payment-Initial Disclosure:** Payments for services are due and payable within the TERMS of the contract. Upon signing the contract and before the start date will be scheduled, a deposit of 1/3 the total contract amount is due. An additional 1/3 will be due the day the project starts and the final balance including any change orders and applicable taxes will be due upon project completion. No finance charges will be imposed if the total of such invoice is paid in full within the stated terms. **A finance charge will be imposed from the invoice date on the overdue balance at a periodic rate of 1.5% per month (18% annual percentage rate) until paid.** Payments will be applied first to previously billed finance charges, and thereafter, in order, to the previous invoices, and finally to new invoices. The undersigned further guarantees the payment of all interest, attorney's fees, court costs, and other costs of collections which may result from failure to comply with the standard terms and conditions of sale.
- 10) **Charges Based on Time and Materials:** Time and Materials work may occur when it becomes difficult to quantify the cost of a particular function due to: a) fluctuating material costs and b) the inability to estimate the amount of time needed to perform said function. Because of these variables and for the purpose of fairness to both Owner and Contractor, revi DESIGN, LLC. may elect this method of billing with the Owner's approval. revi DESIGN, LLC. hourly rate of labor is \$45.00. revi DESIGN, LLC. reserves the right to charge 40% over and above the cost of materials for management and handling of same. Unforeseen soil conditions such as large rocks, stumps, and/or other hidden objects may result in additional charges. The installation of necessary drain tile may be done at the judgment of revi DESIGN, LLC. and shall result in additional charges.
- 11) **Access:** It is the responsibility of the customer to provide adequate access to the job site. If the work of others is to be performed in conjunction with our work, that same work must be performed in such a way as not to interfere with the progress of our work.



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**WARRANTY OF CONTRACT**

- 1) **Warranty and Plant Replacements:** revi DESIGN, LLC. agrees to use correct American Nursery Association horticultural standards in workmanship and materials. Should a plant die **due to our negligence**, it will be replaced **one time** free of charge with as similar a plant as is available. New plantings will be warranted for one year from the time of installation as to workmanship and materials, provided the plants have receive **adequate care and water** from owner and have not died as a result of mechanical, accidental damage, or an act of God. **There is a 100% replacement guarantee of plant material installed and continuously maintained by revi DESIGN, LLC.**
- 2) **Special Note:** At the time of installation, **accessibility** is at its most favorable- often times allowing contractor greater opportunity to install larger plant material. As the project advances toward completion, accessibility becomes substantially decreased or possible inaccessible. Therefore, warranted and unwarranted plant replacements may be restricted to size limitations based on existing site conditions.
- 3) This warranty is null and void if:
  - a) The account is not paid in full or
  - b) The plants have not received adequate care after installation or
  - c) The plants have been physically damaged by accident, or vandalism, or
  - d) The plants have been planted in above-ground containers or under overhangs or
  - e) Plants die due to leaf scorch or
  - f) The plants have died because of severe weather which affected similar plants in the area.
- 4) **Seed and Sod:** revi DESIGN, LLC. shall use high quality seed and sod that is capable of producing a successful lawn, but cannot control subsequent weather and care needed by owner which determines the success of failure after the lawn is planted. revi DESIGN, LLC. therefore warrants to the extent of the **hours** after completion of work and subsequent viability of seed/sod is the responsibility of the purchaser.
- 5) **Construction Warranty:** revi DESIGN, LLC. warrants all landscape construction for a period of **one year** from installation. Warranty shall cover materials to the extent they are warranted by the manufacturer and workmanship, but shall not cover natural properties and reactions of materials such as find cracks in concrete products, checking and warping of wood products, and staining of paving materials.

All proposals are accepted on the above conditions and no other warranty or guarantee of any kind expressed or implied is assumed.

The attached Proposal, Supplemental Conditions, Warranty of Contract, and Contract Specifics (where applicable) are satisfactory and are hereby accepted. revi DESIGN, LLC. is authorized to do the work as specified. Payment will be made as specified on the attached proposal.

APPROVED:  DATE: 10/1/13

**2DWD 290.05 Overtime wages.** All hours worked by a laborer, worker, mechanic or truck driver in excess of the prevailing hours of labor per day or per week must be paid at a rate at least 1.5 times the hourly basic rate of pay. Sums paid by an employer for bona fide economic benefits shall be excluded in the computation of the overtime premium. In no event can the rate upon which the overtime premium is calculated be less than the amount determined by the department as the hourly basic rate of pay. Nor can the rate upon which the overtime premium is calculated be less than the straight time cash payment made to the laborer, worker, mechanic or truck driver or be less than the employee's normal hourly basic rate of pay, if it is higher. Contributions by employees are not excluded from the rate upon which the overtime premium is computed; that is, an employee's overtime premium rate is computed on the taxable earnings before any deductions are made for the employee's contributions to bona fide economic benefits. The employer's contributions, costs or cash payments for bona fide economic benefits may be excluded in computing the overtime premium rate so long as the exclusions do not reduce the overtime premium rate below the hourly basic rate contained in the prevailing wage rate determination issued for a project.

History: Cr. Register, January, 1967, No. 133, eff. 2-1-67; r. and recr. Register, January, 1976, No. 241, eff. 2-1-76; am. Register, January, 1986, No. 361, eff. 2-1-86; am. Register, July, 2000, No. 535, eff. 8-1-00.

**015 BUDGET CHANGES:**

**DWD 290.11 Procedure when a covered entity fails to request a required prevailing wage rate determination or incorporate a required prevailing wage rate determination into a contract.**

(1) When the department finds that a state agency or local governmental unit has not requested a prevailing wage rate determination as required under s. 66.0903 (3) (am) or 103.49 (3), Stats., the department shall promptly notify the state agency or local governmental unit of the noncompliance.

(1m) When the department finds that an owner or developer has not requested a prevailing wage rate determination as required under s. 66.0904 (4) (a), Stats., the department shall promptly notify the owner or developer of the noncompliance.

Note: Section 66.0904, Stats., was repealed by 2011 Wis. Act 32.

(2) The state agency or local governmental unit notified under sub. (1), or an owner or developer notified under sub. (1m), shall file an application for a prevailing wage rate determination, on a form prescribed by the department, within 10 days of the department's notice of noncompliance.

(3) The department shall issue the prevailing wage rate determination within 30 days of the notice of noncompliance.

(4) The local governmental unit or state agency notified under sub. (1), or an owner or developer notified under sub. (1m), may request a review of the prevailing wage rate determination within 30 days of the issuance of the determination pursuant to s. DWD 290.10.

(5) If the state agency or local governmental unit notified under sub. (1), or an owner or developer notified under sub. (1m), failed to incorporate a prevailing wage rate determination into a contract or bid, the local governmental unit, state agency, owner or developer shall either terminate the contract and resolicit bids using the prevailing wage rate determination or incorporate the determination retroactive to the beginning of construction through supplemental agreement or change order. The employer shall be compensated for any increases in wages resulting from the change and any amount of liquidated damages assessed by the department to the employer under s. 66.0903 (11) (a), 66.0904 (9) (a), or 103.49 (6m) (ag), Stats. The method of incorporation of the prevailing wage rate determination and the adjustment in the contract or bid price shall be in accordance with applicable procurement law.

Note: Section 66.0904, Stats., was repealed by 2011 Wis. Act 32.

Note: "Application for a Prevailing Wage Determination Issued by the Department of Workforce Development," form ERD-5719, may be obtained at no charge from the Department of Workforce Development Equal Rights Division, or the DWD web site at [http://dwd.wisconsin.gov/er/prevailing\\_wage\\_rate/default.htm](http://dwd.wisconsin.gov/er/prevailing_wage_rate/default.htm).

History: Cr. Register, January, 1976, No. 241, eff. 2-1-76; r. and recr. (2), cr. (3), Register, January, 1986, No. 361, eff. 2-1-86; am. (1) (intro.), Register, June, 1987, No. 378, eff. 7-1-87; correction in (1) (c) and (2) made under s. 13.93 (2m) (b) 7., Stats., Register, April, 1996, No. 484; r. and recr. Register, September, 1997, No. 501, eff. 10-1-97; r. and recr. Register, July, 2000, No.

City of Wausau

Employee	Hrs worked	Wage Rate Paid	Fringe Benefit Rate	Total Wage and Fringe	Total Project Wage and Fringe	Prevailing Wage	Prevailing Wage Rate Adjustment	Straight Time Prevailing Wage due Employee	Prevailing Wage Overtime Adjustment	Total Prevailing Wage due Employee	FICA (7.65%)	FED (1.8%)	WI (7.1%)
Emp #1**	87.25	\$ 14.00	\$ -	\$ 14.00	\$ 1,221.50	\$ 43.67	\$ 29.67	\$ 2,588.71	\$ 39.86	\$ 2,628.57	\$ 201.09	\$ 47.31	\$ 186.63
Emp #2**	27	\$ 11.00	\$ -	\$ 11.00	\$ 297.00	\$ 43.67	\$ 32.67	\$ 882.09	\$ -	\$ 882.09	\$ 67.48	\$ 15.88	\$ 62.63
Emp #3	3.5	\$ 11.00	\$ -	\$ 11.00	\$ 38.50	\$ 43.67	\$ 32.67	\$ 114.35	\$ -	\$ 114.35	\$ 8.75	\$ 2.06	\$ 8.12
Emp #4	105.25	\$ 16.50	\$ -	\$ 16.50	\$ 1,736.63	\$ 43.67	\$ 27.17	\$ 2,859.64	\$ 48.78	\$ 2,908.42	\$ 222.49	\$ 52.35	\$ 206.50
Emp #5**	3.5	\$ 10.00	\$ -	\$ 10.00	\$ 35.00	\$ 43.67	\$ 33.67	\$ 117.85	\$ -	\$ 117.85	\$ 9.02	\$ 2.12	\$ 8.37
Emp #6	84.5	\$ 19.71	\$ 0.32	\$ 20.03	\$ 1,692.54	\$ 43.67	\$ 23.64	\$ 1,997.58	\$ -	\$ 1,997.58	\$ 152.83	\$ -	\$ 141.83
Emp #7	23.75	\$ 16.83	\$ 0.48	\$ 17.31	\$ 411.11	\$ 43.67	\$ 26.36	\$ 626.05	\$ -	\$ 626.05	\$ 47.89	\$ -	\$ 44.45
Emp #8**	20.5	\$ 20.25	\$ 1.25	\$ 21.50	\$ 440.75	\$ 43.67	\$ 22.17	\$ 454.49	\$ -	\$ 454.49	\$ 34.77	\$ -	\$ 32.27
Emp #9	20.5	\$ 10.00	\$ -	\$ 10.00	\$ 205.00	\$ 43.67	\$ 33.67	\$ 690.24	\$ -	\$ 690.24	\$ 52.80	\$ 12.42	\$ 49.01
Emp #10	20.25	\$ 15.00	\$ -	\$ 15.00	\$ 303.75	\$ 43.67	\$ 28.67	\$ 580.57	\$ -	\$ 580.57	\$ 44.41	\$ 10.45	\$ 41.22
Emp #11	30	\$ 17.31	\$ 0.48	\$ 17.79	\$ 533.70	\$ 43.67	\$ 25.88	\$ 776.40	\$ -	\$ 776.40	\$ 59.39	\$ -	\$ 55.12
Emp #12	112.25	\$ 14.00	\$ -	\$ 14.00	\$ 1,571.50	\$ 43.67	\$ 29.67	\$ 3,330.46	\$ 88.59	\$ 3,419.05	\$ 261.56	\$ -	\$ 242.75
Emp #13**	90.5	\$ 12.00	\$ -	\$ 12.00	\$ 1,086.00	\$ 43.67	\$ 31.67	\$ 2,866.14	\$ -	\$ 2,866.14	\$ 219.26	\$ 51.59	\$ 203.50
Emp #14	26.5	\$ 14.00	\$ -	\$ 14.00	\$ 371.00	\$ 43.67	\$ 29.67	\$ 786.26	\$ -	\$ 786.26	\$ 60.15	\$ 14.15	\$ 55.82
Emp #15	4.5	\$ 10.00	\$ -	\$ 10.00	\$ 45.00	\$ 43.67	\$ 33.67	\$ 151.52	\$ -	\$ 151.52	\$ 11.59	\$ 2.73	\$ 10.76

Total	659.75				\$ 9,988.98			\$ 18,822.31	\$ 177.23	\$ 18,999.54	\$ 1,453.48	\$ 211.07	\$ 1,348.97
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**TO:** FINANCE COMMITTEE MEMBERS

**FROM:** MARYANNE GROAT

**DATE:** SEPTEMBER 16, 2014

**SUBJECT:** REFUSE AND RECYCLING CHARGES FOR SERVICES

Currently the city ordinance specifies that refuse will be collected once per week and recyclables once every two weeks from all residential units. A residential unit is defined as a single housing unit providing complete independent living facilities for one or more persons with permanent provisions for living, sleeping, eating, cooking and sanitation.

The city's contract with Advance Disposal reflects this ordinance language and allows all apartment complexes and other multi-unit housing facilities to utilize the city's refuse and recycling services as long as they comply with the curb side regulations. This arrangement is more generous than many communities that consider all multi-housing units greater than three or four units to be considered commercial properties and not eligible for residential refuse and recycling services. This service is not used by all multi-unit housing facilities within the city as many elect to hire dumpster service. Some facilities take a hybrid approach contracting for dumpster service for refuse and then relying on the city's curbside pickup for recycling.

This arrangement poses problems if the city were to shift the cost of the service to a special charge as we would be unable to determine what multi-unit housing complexes were using the services and obligated for the special charge. The city could eliminate this problem by changing the ordinance language to limit the service to units up to three or four units. This language change will be necessary when the city implements a fully automated refuse and recycling system.

Identical to the stormwater utility discussion, the implementation of a special charge would also require the elimination of Ordinance 3.10 that requires the City hold a city-wide referendum requesting citizen authorization prior to instituting a fee for any municipal service. Wisconsin State Statute 9.20 (attached) governs direct legislation. It appears that the City was required to maintain this ordinance intact for a two year period but is now eligible to repeal or amend the ordinance without a vote by the electors. This requires confirmation by the City Attorney.

A shift to a separate charge will result in the entire refuse and recycling cost to become a burden of residential properties versus funded in part by the commercial and industrial properties in the tax rate. The State of Wisconsin Levy Limit Law would require the city reduce the levy by the amount of the refuse charge but not the recycling charge. I believe the city would also have an opportunity to allocate administrative charges to the program in the computation of a special charge.

Attached is a computation of refuse and recycling costs by tax rate and special charge.

Attachments include:

- Ordinance 61-5312, resolution 06-1016 Direct Legislation Petition Pursuant to s9.20 Wis.Stats.
- Wausau Municipal Code Chapter 3.10 Fees for Municipal Services
- Wisconsin Statutes 9.20 Direct Legislation
- Levy limit fact sheet produced by the State of Wisconsin
- Refuse and Recycling Analysis Based Upon 2013 Activity

## REFUSE AND RECYCLING ANALYSIS BASED UPON 2013 ACTIVITY

	<u>Refuse</u>	<u>Recycling</u>	<u>Total</u>	<u>Spring Clean Up</u>	<u>Yard Waste</u>	<u>Leaf Pick Up</u>	<u>Total</u>	<u>Grand Total</u>
<b><u>SPECIAL CHARGE COMPUTATION</u></b>								
Monthly Charge	\$ 112,205	\$ 33,246	\$ 145,451					
Annual Fuel Surcharge	11,340	3,360	14,700					
Total Costs	\$ 1,357,803	\$ 402,312	\$ 1,760,115					
Less Recycling Grant		(147,973)	(147,973)					
Net Costs	\$ 1,357,803	\$ 254,339	\$ 1,612,142	\$ 89,559	\$ 53,013	\$ 170,035	\$ 312,607	\$ 1,924,749
Estimated Housing Units 3 or less	14,501	14,501	14,501	14,501	14,501	14,501	14,501	14,501
<b>Per Unit Price</b>	<b>\$ 93.64</b>	<b>\$ 17.54</b>	<b>\$ 111.17</b>	<b>\$ 6.18</b>	<b>\$ 3.66</b>	<b>\$ 11.73</b>	<b>\$ 21.56</b>	<b>\$ 132.73</b>
<b><u>TAX LEVY COMPUTATION</u></b>								
Tax Rate	\$ 0.50	\$ 0.09	\$ 0.59	\$ 0.03	\$ 0.02	\$ 0.06	\$ 0.11	\$ 0.70
Break Even House Value			\$188,400					\$ 189,600
Tax			\$ 111.16					\$ 132.72

**ORDINANCE**

Direct Legislation Petition Pursuant to s. 9.20, Wis. Stats.

Committee Action:

Ordinance Number: 61-5312

Fiscal Impact:

File Number: 06-1016

Date Introduced: October 24, 2006

The Common Council of the City of Wausau do ordain as follows:

Section 1. The City of Wausau shall hold a city-wide referendum requesting citizen authorization to institute a fee for any municipal service. This includes, but is not limited to, the following services; police protection, garbage pickup, fire protection, road repair, snowplowing, recycling, yard waste disposal, street sweeping, fall leaf collection, spring clean-up, and storm water management among others. The only allowable exception is a fee that affects 10% or less of the city's residents.

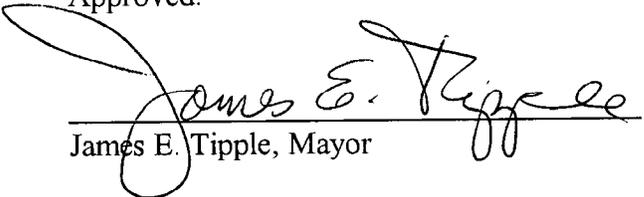
Section 2. All ordinances or parts of ordinances in conflict herewith are hereby repealed.

Section 3. If any provision of this ordinance is held to be invalid or unconstitutional or if the application of any provision of this chapter to any person or circumstance is held to be invalid or unconstitutional, such holding shall not affect the other provisions or applications of this ordinance which can be given effect without the invalid or unconstitutional provision or application.

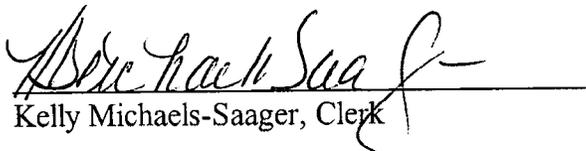
Section 4. This ordinance shall be in full force and effect from and after its date of publication.

Adopted: 10/24/06  
Approved: 10/25/06  
Published: 10/27/06  
Attest: 10/25/06

Approved:

  
James E. Tipple, Mayor

Attest:

  
Kelly Michaels-Saager, Clerk

Chapter 3.10

FEES FOR MUNICIPAL SERVICES

Sections:

3.10.010 Referendum.

3.10.010 Referendum. The City of Wausau shall hold a city-wide referendum requesting citizen authorization to institute a fee for any municipal service. This includes, but is not limited to, the following services; police protection, garbage pickup, fire protection, road repair, snowplowing, recycling, yard waste disposal, street sweeping, fall leaf collection, spring clean-up, and storm water management among others. The only allowable exception is a fee that affects 10% or less of the city's residents. (Ord. 61-5312 §1, 2006, File No. 06-1016.)

**WISCONSIN  
STATE STATUTE**

**9.20 Direct legislation.**

- (1) A number of electors equal to at least 15% of the votes cast for governor at the last general election in their city or village may sign and file a petition with the city or village clerk requesting that an attached proposed ordinance or resolution, without alteration, either be adopted by the common council or village board or be referred to a vote of the electors. The individual filing the petition on behalf of the electors shall designate in writing an individual to be notified of any insufficiency or improper form under sub. (3).
- (2) The preparation and form of the direct legislation petition shall be governed by s. 8.40.
- (2m) After the petition has been offered for filing, no name may be erased or removed. No signature may be considered valid or counted unless the date is less than 60 days before the date offered for filing.
- (3) Within 15 days after the petition is filed, the clerk shall determine by careful examination whether the petition is sufficient and whether the proposed ordinance or resolution is in proper form. The clerk shall state his or her findings in a signed and dated certificate attached to the petition. If the petition is found to be insufficient or the proposed ordinance or resolution is not in proper form, the certificate shall give the particulars, stating the insufficiency or improper form. The petition may be amended to correct any insufficiency or the proposed ordinance or resolution may be put in proper form within 10 days following the affixing of the original certificate and notification of the individual designated under sub. (1). When the original or amended petition is found to be sufficient and the original or amended ordinance or resolution is in proper form, the clerk shall so state on the attached certificate and forward it to the common council or village board immediately.
- (4) The common council or village board shall, without alteration, either pass the ordinance or resolution within 30 days following the date of the clerk's final certificate, or submit it to the electors at the next spring or general election, if the election is more than 6 weeks after the date of the council's or board's action on the petition or the expiration of the 30-day period, whichever first occurs. If there are 6 weeks or less before the election, the ordinance or resolution shall be voted on at the next election thereafter. The council or board by a three-fourths vote of the members-elect may order a special election for the purpose of voting on the ordinance or resolution at any time prior to the next election, but not more than one special election for direct legislation may be ordered in any 6-month period.
- (5) The clerk shall cause notice of the ordinance or resolution that is being submitted to a vote to be given as provided in s. 10.06 (3) (f).
- (6) The ordinance or resolution need not be printed in its entirety on the ballot, but a concise statement of its nature shall be printed together with a question permitting the elector to indicate approval or disapproval of its adoption.
- (7) If a majority vote in favor of adoption, the proposed ordinance or resolution shall take effect upon publication under sub. (5). Publication shall be made within 10 days after the election.
- (8) City ordinances or resolutions adopted under this section shall not be subject to the veto power of the mayor and city or village ordinances or resolutions adopted under this section shall not be repealed or amended within 2 years of adoption except by a vote of the electors. The common council or village board may submit a proposition to repeal or amend the ordinance or resolution at any election.

# Levy Limit Fact Sheet (sec. 66.0602(2m)(b) Wis. Stats.)

## Common Questions

**1. Does the provision affect other services?**

Only the five services listed are affected. Fees for services not listed are not subject to this provision (levy adjustment).

**2. Does the provision apply to a municipality that begins paying for a covered service by a fee instead of tax levy?**

Yes, if a covered service was funded partly or wholly by tax levy in 2013 and a municipality adopts a fee on or after July 2, 2013, the municipality is required to reduce its levy limit.

**3. Does the provision apply to a municipality that pays for a covered service partly by a fee and partly by tax levy in 2013?**

Yes. The statute applies to covered services that were funded partly or wholly by tax levy in 2013. A municipality that funds a covered service partly by fee and partly by tax levy is required to reduce its levy limit, if it adopts a fee increase on or after July 2, 2013.

**4. Does the provision apply when a municipality that had a covered service for several years which was paid for by a fee, such as a storm water utility, adopts a fee increase?**

- If the covered service was not funded partly or wholly by tax levy in 2013 (i.e., funded 100% by fee), the statute does not apply.
- If the covered service was funded partly by tax levy and partly by fee in 2013, the statute applies to any fee increase adopted on or after July 2, 2013.

**5. Does the provision apply when a municipality begins to provide a covered service for the first time and chooses to fund the service 100% through a fee?**

No. The statute applies to covered services that were provided by a municipality and funded partly or wholly by tax levy in 2013.

**6. Can a municipality create a new fee, such as a fire inspection fee, without being required to adjust its property tax levy limit?**

Fire protection, which includes fire inspection, is a covered service. If a municipality funded its fire protection service partly or wholly by tax levy in 2013 and adopts a new fee or fee increase on or after July 2, 2013, the municipality is required to reduce its levy limit.

**7. A municipality provided a covered service funded partly by levy and partly by fee in 2013. In 2014, it is expecting more fee revenue, not due to an adopted fee increase but from population growth and the increased use of services. Does the municipality need to adjust the levy limit in this situation?**

No. Since the expected fee revenue in 2014 is from population growth and increased service use, it does not need to adjust the levy limit. It only needs to adjust the levy limit if the municipality adopts a new fee or a fee increase on or after July 2, 2013 for covered services (funded partly or wholly by tax levy in 2013).

**8. What can a municipality do if this provision applies and it does not wish to adjust its property tax levy limit?**

The statute states a municipality's governing body can adopt a resolution stating that the levy limit should not be reduced. The resolution must then be approved in a referendum.

If you have questions, contact us at (608) 266-8618 or [lgs@revenue.wi.gov](mailto:lgs@revenue.wi.gov).

**Wisconsin Department of Revenue**  
Division of State and Local Finance  
Local Government Services Bureau

# Levy Limit Fact Sheet

(sec. 66.0602(2m)(b) Wis. Stats.)

Wisconsin Department of

# Revenue

Within the 2013-2015 budget (2013 Wisconsin Act 20), the state created Wis. Stats. sec. 66.0602(2m)(b).

## Statute Summary

On or after July 2, 2013, if a municipality adopts a new fee or a fee increase for covered services (which were partly or wholly funded in 2013 by property tax levy), that municipality must reduce its levy limit in the current year by the amount of the new fee or fee increase, less any previous reductions. This also applies to payments in lieu of taxes.

### The covered services include:

- Garbage collection
- Fire protection
- Snow plowing
- Street sweeping
- Storm water management

## Definitions

The items listed are not all-inclusive.

### Garbage Collection

The collection and disposal of garbage includes:

- Collection of garbage, rubbish and discarded items from properties within the jurisdiction
- Operation of a landfill site, including: incinerators, refuse pulverizer systems, site covering, gate attendants, central collection transfer points, solid waste drop off sites and site monitoring
- **Note:** this does not include recycling

### Fire Protection

Includes all fire protection activities, such as fire fighting training, fire inspection, investigation of fire losses, fire prevention education, fire signs and fire fighting.

## Examples

### Example 1

A municipality funded its fire protection services of \$100,000 by tax levy in 2013. The municipality adopts a new fee of \$25,000 on July 15, 2013 for its 2014 budget.

**Result** – the municipality must reduce its 2013 levy limit by \$25,000

### Example 2

In 2013, a municipality funds its storm water management of \$400,000 partly by tax levy of \$300,000 and partly by fee of \$100,000. On July 8, 2013, the municipality adopts a fee increase of \$50,000 for its 2014 budget.

**Result** – the municipality must reduce its 2013 levy limit by \$50,000

### Example 3

A municipality funds its garbage collection of \$200,000 solely by fee in 2013. On July 20, 2013, the municipality adopts a fee increase of \$30,000.

**Result** – the municipality is not required to adjust (reduce) its levy limit due to this fee increase since the service was not funded partly or wholly by tax levy in 2013



**TO: FINANCE COMMITTEE MEMBERS**  
**FROM: MARYANNE GROAT**  
**DATE: SEPTEMBER 15, 2014**

**SUBJECT: MODIFY THE 400 BLOCK POLICY AS IT PERTAINS TO RENTAL FEES AND FEE EXEMPTION**

The City of Wausau adopted the 400 Block policy that governs the use of the block and fees for services. This policy and reservation form provides that entities that receive room tax dollars from the city are exempt from paying rental fees. The parks department considered this issue at their last meeting and recommended eliminating rental fee exemptions.

Attached is an examination of the historical operating and maintenance expenses for the block for the years 2012, 2013 and 2014 and the rental fees paid for events in 2014 and what additional fees would be collected if the exemption was eliminated.

The block rental fee structure can be a challenge and staff currently uses discretion to calculate the fee based upon where an event best fits into the categories. To improve the process we would recommend modifying the block rental schedule to distinguish between free events, private events and admission events. In addition, elimination of an hourly rate in favor of two rate structures (less than 4 hours and greater than 4 hours) would improve administration.

Existing Block Rental

Events sponsored by a commercial enterprise	\$60 / hour or \$600 / day
Private event sponsored by a private group	\$30 / hour or \$300 / day
Fee event of wide interest - open to the public	\$10 / hour or \$100 / day
Admission event of wide interest - open to public or sponsored by not-for-profit club	\$30 / hour or \$300 / day
Admission event of limited interest - sponsored by not-for-profit club	\$60 / hour or \$600 / day

Proposed Block Rental

Private event sponsored by a private group	\$150 / less than four hours per day \$300 / greater than four hours per day
Admission event	\$150 / less than four hours per day \$300 / greater than four hours per day
Fee event - open to the public	\$50 / less than four hours per day \$100 / greater than four hours per day

The impact of the fee structure change is presented on the second revenue analysis titled – 2014 Revised Rate Structure.

## PARKS DEPARTMENT - 400 BLOCK EXPENSES

	2013			2012		
	Total	Payroll	Vendor Payments	Total	Payroll	Vendor Payments
<b>322 Construction</b>	3,536.00		3,536.00	4,389.90	624.91	3,764.99
<b>335 General Maintenance</b>	32,660.10	18,103.23	14,556.87	32,170.78	26,494.28	5,676.50
<b>340 Outdoor Ice</b>	6,037.91	6,037.91	-	8,049.34	8,145.73	(96.39)
<b>350 Mowing</b>	981.27	981.27	-	1,292.22	1,292.22	
<b>360 Planning and Developmer</b>	-	-	-	758.82	758.82	
<b>385 Park Rentals</b>	5,547.54	5,547.54		2,705.48	2,955.48	(250.00)
<b>393 Snow Removal</b>	428.95	428.95	-	152.05	152.05	
<b>400 Special Events</b>	429.45	429.45	-	5,854.78	5,854.78	
<b>448 General Tree Maintenance</b>				60.19	60.19	
<b>449 Tree Planting</b>				220.99	46.33	174.66
<b>450 Tree Removal</b>				31.68	31.68	
<b>455 Tree Trimming</b>				170.00	170.00	
<b>Fountain</b>	15,660.00		15,660.00	28,517.87		28,517.87
<b>Total</b>	65,281.22	31,528.35	33,752.87	84,374.10	46,586.47	37,787.63
Daily Costs	178.85					
Days	76.00					
	13,592.60					

**400 BLOCK RENTALS**  
**2014 Existing Rate Structure - Elimination of Exemptions**

DATE	EVENT	ORGANIZER	DAYS	HOURS	400 BLOCK RENTAL FEE	SOUND AND LIGHT SYSTEM	LIGHT SYSTEM	ELECTRICAL SYSTEM	PORTABLE ELECTRICAL PANEL						
January	Games	Badger State Games	1	3	30										
February	Winterfest	Wausau Events	1	AD	100										
March															
April															
May	Flag Raising Ceremony	Marathon County Law Enforc	1	2	20										
	Ribbon Cutting	Sports and Spine	1	2	20										
	Concert	DC Everest Band	1	AD	100										
	Frontierfest	Wausau Events	1	6	60	250	60	25	250						
June	Torch Run	Special Olympics	1	3	30										
	Caribbean Market	Good News	1	4	40										
	Car Show	Wausau Events	1	6	60										
	World Wide Knit in Public Day	Private	1	3	30										
	Event for Equality	Private	1	AD	100	125		25	125						
	Flag Day Ceremony	Wausau Elks Club	1	2	20										
	Concerts on The Square	Wausau Events	2	2	40		120	50	500						
	Farmers Market	Wausau Events	2	AD	200			25	1,000						
	Screen on the Green	Wausau Events	1	6	60		60	25	250						
	Wedding	Private	1	3	90										
	Church Services	St Pauls UCC	3	3	60										
July	Concerts on The Square	Wausau Events	5	2	100		300	125	1,250						
	Farmers Market	Wausau Events	5	AD	500			50	2,500						
	Concert	Wausau Concert Band	2	3	60										
	Chalkfest	Wausau Events	2	AD	200										
	Church Services	St Pauls UCC	4	2	80										
	Fun 4 Kidz	Private	1	3	30										
	Birthday Party	Private	1	7	210	125			125						
	Discover Dance	Wausau Dance Academy	1	3	30										
	Screen on the Green	Wausau Events	1	6	60		60	25	250						
	Symphonic Rock	MCT	1	AD	100	125									
August	Church Services	St Pauls UCC	5	2	100										
	Race	Susan G Komen for the Cure	2	AD	600										
	Concerts on The Square	Wausau Events	3	2	50		180	75	750						
	Farmers Market	Wausau Events	4	AD	400			25	2,000						
	Christian Band	Mt of the Lord Lutheran Chur	1	6	60			25							
	Rock the Block	Wausau Events	1	5	50	250	60	25	250						
	Concert	Wausau Chamber of Commer	1	8	80										
	Screen on the Green	Wausau Events	1	6	60		60	25	250						
September	Farmers Market	Wausau Events	3	AD	300				1,500						
	Wausau Festival of Arts	Festival of Arts	3	AD	300										
	Gospel Service	Athens Mennonite Church	1	2	20										
	Bean Bag Tournament	Private	1	5	150										
	Concert	Wave Education Fund	1	4	40			25							
	Rally	American Values	1	4	40										
	Youth Event	Area Churches	1	8	80										
October	Walk/Run	American Diabetes	1	3	30										
	Harvest Fest	Wausau Events	1	AD	100										
November															
December	Holiday Parade		1	3	30										
	Current Collections		76	\$	3,250	\$	2,550	\$	375	\$	-	\$	75	\$	250
	Current Exemption - Wausau Events				14,995		2,370		500		900		475		10,750
	Total				\$ 18,245	\$	4,920	\$	875	\$	900	\$	550	\$	11,000



## THE 400 BLOCK POLICY AND RESERVATION FORM

### DEFINITION

Public park for the use and enjoyment of the public at all times.

### BLOCK USAGE

- May be reserved through the City Clerk's Office for free events and activities of interest to the general public, keeping with accepted standards of behavior and content. Up to 25% of the space may be rented for private events.
- Hours - Event related activities on the block will be limited to the hours of 7:00 a.m., to 12:00 midnight.
- Camping - Overnight camping is prohibited on the block.
- Fires - Open fires are allowed by permit but are restricted to only liquid or gas fuel.
- Grilling - No grilling is allowed except for those special events granted waivers.
- Vehicles may not be driven or parked on the block without an approved special events permit.
- No vehicles may be driving across or parked on the fountain.
- Stakes – Any event that involves penetrating the grass area of the block may not occupy the site until all underground utilities potentially impacted have been marked by City personnel. Costs of marking underground utilities will be charged to the event organizer. Utility maps are available from the Clerk's Office to help plan events. Event operators are responsible for damages to the facilities.
- Decorations – Nothing may be used that punctures, abrades, leaves residue, removes finishes or discolors any surface of any City property. Decorations may be present within the permit time period.
- Vending and Advertising – No person shall sell or offer anything for sale or post or distribute bills or advertisements without the express written permission of the City.
- Tents – Tent delivery, erection and removal shall occur during the permit time period.

### BLOCK COORDINATION AND SCHEDULING

Reservations will be made through the Clerk's Office. It is recommended you reserve the block early as it is a first come first serve basis. Reservations will not be taken for public class I events occurring more than 24 months away. Reservations for all other events may be made up to 12 months in advance. Event organizers may pay for their future year reservations in the year of the reservation, but must be paid prior to the event. Block use permits will not be issued until the fee is paid in full. Wausau Area Events and large annual events shall have the first right of refusal for reservation dates.

**NOTE: Reservation of the block does not automatically permit an event.** Approval process requires a special event application be completed and filed with the City Clerk and all conditions and requirements of the Special Event Policy, Municipal, State and Federal rules, regulations and guidelines must be followed prior to obtaining a permit.

## **BLOCK RENTAL FEES AND DEPOSITS**

Fees for city services are established in the Special Events policy. Rental rates for the 400 block are as follows and shall apply all the time that The 400 Block is occupied by any event related activity except for those organizations currently fee exempt on the 'City Services and Equipment Usage Fee Determination Schedule'.

### **BLOCK RENTAL**

Events sponsored by a commercial enterprise	\$60 / hour or \$600 / day
Private event sponsored by a private group	\$30 / hour or \$300 / day
Free event of wide interest - open to public	\$10 / hour or \$100 / day
Admission event of wide interest - open to public or sponsored by not-for-profit or club	\$30 / hour or \$300 / day
Admission event of limited interest sponsored by not-for-profit or club	\$60 / hour or \$600 / day

### **SOUND, LIGHT AND ELECTRICAL**

#### Sound and Light System

##### Rental Fee

Minimum \$125 / day

Includes daily setup and take down by City staff. Events requiring more than two hours of City staff time per day (as determined by the City) shall pay the hourly City staff fee for additional time beyond the initial 2 hours of staff time.

#### Light System

##### Rental Fee

\$60 / day

Includes daily activation and deactivation by City staff. Events requiring more than one hour of City staff time per day (as determined by the City) shall pay the hourly staff fee for additional time beyond the initial 1 hour of staff time.

#### Electrical System

##### Stage and Planter Pedestals

\$25 / event

Includes 8 planter receptacles and 2 stage receptacles. Each has 1-50 amp plug in and 2-20 amp circuits.

##### Portable Electrical Panels (Spider Box)

\$125 / panel / event

Each panel includes 6-20 amp and 1-30 amp 240v Circuits and set up and removal by City Staff.

##### Deposit – Sound, Light and /or Electrical Panels

\$500 / event

Payable to City Clerk at least three business days prior to the event.

### **EQUIPMENT**

#### Equipment Rental Deposit

\$ 50.00 / unit

(Water tank, trailer & water stand pipes)

#### Snow Fence 50' Roll including stakes and ties\*\*

\$ 10.00 / roll

#### Portable Stage\*\*

\$150.00 / each

#### Portable Stage Canopy\*\*

\$ 75.00 / each

#### Barricades\*\*

\$ 5.00 / each

Picnic Tables**	\$ 15.00 / each
Manual Post Pounder	\$ 25.00
Backflow Preventers	\$ 10.00 / each
Portable Bleachers	\$100.00 / each
Bleacher Planks	\$ 5.00 / each

\*\*Set up, delivery and pick up of equipment are not included in the daily rental rates and will be charged per hourly rate based on actual time spent. Delivery and pickup needs to be scheduled at least two weeks in advance and will not always be available for all items.

**LABOR**

Operations and Maintenance Staff	Week Day	\$34.00 / hr / person
	Weekend & Evenings	\$54.00 / hr / person
Electrical Staff	Week Day	\$40.00 / hr / person
	Weekend & Evenings	\$54.00 / hr / person

**Cancellation of Reservation:** You may be entitled to a partial refund of your reservation fee if you have notified the City in writing of your intent to cancel the reservation at least 2 weeks prior to the reserved date. The City shall retain an administrative fee of the lesser of 25% or \$25 of the total fee paid. No reservation refunds shall be issued after the fact (ie...events that never take place) or for late cancellations (within 2 weeks of the reserved date).

(See attached application)



# THE 400 BLOCK RESERVATION FORM

(Submit this Application to the City of Wausau Clerk's Office)

Make checks payable to: City of Wausau

Amount Submitted: \$

Check #: #

Contact Person: \_\_\_\_\_ Is this an Annual Event?  Yes  No

Organization's Name: \_\_\_\_\_ Organization's E-mail Address: \_\_\_\_\_

Address: \_\_\_\_\_

Work Phone #: \_\_\_\_\_ Home/Cell Phone #: \_\_\_\_\_

Event Dates: \_\_\_\_\_ Time of Event: \_\_\_\_\_

Set Up Dates: \_\_\_\_\_ Removal Dates: \_\_\_\_\_

Name of Event: \_\_\_\_\_

Reservation of the block does not automatically permit an event. Approval process requires a special event application be completed and filed with the City Clerk and all conditions and requirements of the Special Event Policy, Municipal, State and Federal rules, regulations and guidelines must be followed prior to obtaining a permit.

Please check mark the statement that most applies to your event.		#Hrs	#Days	Rental Fee
<input type="checkbox"/>	The event is sponsored by a commercial enterprise.			
<input type="checkbox"/>	The event is private (not open to the general public) and is sponsored by a private group.			
<input type="checkbox"/>	The event is free to the general public and is of wide interest to the general public.			
<input type="checkbox"/>	Admission is charged to this event which is of wide interest and open to the general public. The event is sponsored by not-for-profit or club.			
<input type="checkbox"/>	Admission is charged for this event which is of limited interest to the general public. The event is sponsored by not-for-profit or club.			

I agree to indemnify and save harmless the City of Wausau and Marathon County and their employees, elected and appointed officials, and agents from any and all liability from claims of bodily injury, property damage, or any other nature whatsoever arising out of the use of the Wausau property herein specified.

I have received a copy of the Block rental policy and Special Events Policy/Application and agree to abide by all rules and regulations formulated by the City of Wausau for use of the block; and to adhere to all specifications and limits contained in the state policies. I understand that inaccurate information or an unauthorized event is grounds for cancellation of any reservation granted to me and may jeopardize future reservations. I understand that reservation of The 400 Block does not authorize or permit the event to occur.

Signature \_\_\_\_\_ Date: \_\_\_\_\_



**TO:** FINANCE COMMITTEE MEMBERS

**FROM:** MARYANNE GROAT

**DATE:** SEPTEMBER 16, 2014

**SUBJECT:** ACCOUNTING FOR THE 400 BLOCK EXPENSES OUTSIDE OF THE GENERAL FUND

Currently the 400 Block expenses and revenues are accounted for within the Parks Department in the General Fund. The Finance Committee and Parks Committee have expressed an interest in isolating these costs so that they can be easily monitored and tracked.

The majority of the expenses pertaining to the 400 block currently accounted for within the parks budget represent general maintenance costs and are not directly related to a specific event as shown on the attached expense analysis.

The committee would have multiple accounting/reporting options to consider:

- Account for the operations and maintenance within a separate revenue and expense budget within the general fund.
- Account for the operations and maintenance and event related costs within a separate revenue and expense budget within the general fund.
- Establish a special revenue fund to account for the revenue and expenses of the 400 block.

Modifying the change at the beginning of 2015 will provide a tidy transition in the accounting.

**CITY OF WAUSAU 2014 BUDGET**  
**GENERAL FUND STATEMENT OF REVENUES AND EXPENDITURES**  
**BUDGET AND ACTUAL**  
August 31st, 2014  
**NARRATIVE**

## **REVENUES**

Generally, revenues to date look good compared to prior year and budget. Permit revenue continues to lag 2013. It is difficult to determine the impact at this time.

## **EXPENSES**

The overall General Fund budget to actual looks great with 63.72% of the budget expended with 66.66% of the year completed. Below are some noted items:

### **GENERAL GOVERNMENT**

CCITC – This budget is on target and reflects 9 months of operating payments to the CCITC. The current year to prior/year and budget/actual variance represents timing of monthly payments.

### **TRANSPORTATION**

DEPARTMENT OF PUBLIC WORKS – This budget is slightly over budget with 68% of the budget expended in the first eight months. Current year expenses are substantially higher than 2013. This is due to two factors 1) motor pool charges are about \$100,000 over the 2013 actual due to the winter maintenance demands and two major projects: line painting of about \$90,000 and seal coating project for about \$140,000 were completed in 2014 with no similar expenses in 2013.

### **PARKS**

While the parks department expenses budget to actual are well within acceptable limits the prior year to current year look concerning. This situation is due to the timing of when the County bills the City for the monthly park expenses. The August report only represents six months of expenses.

### **YEAREND CONCERNS**

**Impact of Sick Leave Payout on Salaries** – We have a number of individuals who have retired or will be retiring in 2014. In some situations the sick leave payout was offset by position vacancies but in other departments that will not be the case.

**CITY OF WAUSAU, WISCONSIN**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL**  
Period Ended August 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget	2013 Actual
	Original	Final			
<b>TAXES</b>					
General property taxes	\$ 15,843,883	\$ 15,843,883	\$ 15,843,883	\$ -	\$ 15,570,606
Mobile home parking fees	27,800	27,800	20,690	(7,110)	20,661
Payments in lieu of taxes	114,566	114,566	2,324	(112,242)	2,323
Other taxes	<u>88,170</u>	<u>88,170</u>	<u>109,601</u>	<u>21,431</u>	<u>93,153</u>
Total Taxes	<u>16,074,419</u>	<u>16,074,419</u>	<u>15,976,498</u>	<u>(97,921)</u>	<u>15,686,743</u>
<b>INTERGOVERNMENTAL</b>					
State shared taxes	4,434,779	4,434,779	1,059,633	(3,375,146)	1,023,949
Expenditure restraint	755,879	755,879	755,879	-	792,433
Fire insurance tax	95,000	95,000	104,834	9,834	93,216
Municipal services	187,021	187,021	195,507	8,486	198,326
Transportation aids	2,376,813	2,376,813	1,781,293	(595,520)	1,716,553
Other grants	<u>204,000</u>	<u>211,437</u>	<u>161,194</u>	<u>(50,243)</u>	<u>156,499</u>
Total Intergovernmental	<u>8,053,492</u>	<u>8,060,929</u>	<u>4,058,340</u>	<u>(4,002,589)</u>	<u>3,980,976</u>
<b>LICENSES AND PERMITS</b>					
Licenses	159,516	159,516	170,135	10,619	150,376
Franchise fees	325,000	325,000	192,433	(132,567)	156,310
Permits	<u>238,833</u>	<u>238,833</u>	<u>122,939</u>	<u>(115,894)</u>	<u>140,536</u>
Total Licenses and Permits	<u>723,349</u>	<u>723,349</u>	<u>485,507</u>	<u>(237,842)</u>	<u>447,222</u>
<b>FINES, FORFEITURES AND PENALTIES</b>					
	<u>405,000</u>	<u>405,000</u>	<u>272,229</u>	<u>(132,771)</u>	<u>246,070</u>
<b>PUBLIC CHARGES FOR SERVICES</b>					
General government	66,150	66,150	44,711	(21,439)	45,898
Public safety	1,424,775	1,424,775	852,055	(572,720)	846,763
Streets and related facilities	77,000	77,000	114,554	37,554	89,822
Recreation	139,800	139,800	81,549	(58,251)	109,365
Public areas	<u>97,740</u>	<u>97,740</u>	<u>47,612</u>	<u>(50,128)</u>	<u>66,635</u>
Total Public Charges for Services	<u>1,805,465</u>	<u>1,805,465</u>	<u>1,140,481</u>	<u>(664,984)</u>	<u>1,158,483</u>
<b>INTERGOVERNMENTAL CHARGES FOR SERVICES</b>					
State and federal reimbursements	11,020	11,020	160	(10,860)	272
County and other municipalities	189,590	189,590	68,848	(120,742)	60,422
City departments	<u>1,359,013</u>	<u>1,359,013</u>	<u>20,553</u>	<u>(1,338,460)</u>	<u>56,464</u>
Total Intergovernmental Charges for Services	<u>1,559,623</u>	<u>1,559,623</u>	<u>89,561</u>	<u>(1,470,062)</u>	<u>117,158</u>

**COMMERCIAL**

Interest on general investments	\$ 260,000	\$ 260,000	\$ 185,360	\$ (74,640)	\$ 152,371
Interest on special assessments	33,000	33,000	140	(32,860)	658
Other interest	19,000	19,000	7,482	(11,518)	21,250
Total Commercial	<u>312,000</u>	<u>312,000</u>	<u>192,982</u>	<u>(119,018)</u>	<u>174,279</u>

**MISCELLANEOUS REVENUES**

Rent of land and buildings	200,600	200,600	127,083	(73,517)	158,942
Sale of City property/loss compensation	15,810	15,810	10,874	(4,936)	44,599
Other miscellaneous revenues	157,100	157,100	128,339	(28,761)	104,873
Total Miscellaneous Revenues	<u>373,510</u>	<u>373,510</u>	<u>266,296</u>	<u>(107,214)</u>	<u>308,414</u>

**OTHER FINANCING SOURCES**

Transfers in	<u>2,068,494</u>	<u>2,068,494</u>	<u>-</u>	<u>(2,068,494)</u>	<u>-</u>
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**TOTAL REVENUES AND OTHER  
FINANCING SOURCES**

	<u>\$ 31,375,352</u>	<u>\$ 31,382,789</u>	<u>\$ 22,481,894</u>	<u>\$ (8,900,895)</u>	<u>\$ 22,119,345</u>
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**CITY OF WAUSAU, WISCONSIN**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**

Period Ended August 31, 2014

	Budgeted Amounts		Actual	Variance with	2013
	Original	Final		Final Budget	Actual
<b>GENERAL GOVERNMENT</b>					
City Council	\$ 115,298	\$ 115,298	\$ 55,246	\$ 60,052	\$ 57,145
Mayor	229,680	229,680	152,280	77,400	149,040
City Promotion	136,400	136,400	83,722	52,678	109,983
Finance department	448,198	448,198	324,054	124,144	284,049
Data processing	675,797	675,797	484,889	190,908	443,748
City clerk/customer service	528,150	528,150	324,544	203,606	322,368
Elections	49,113	49,113	37,896	11,217	17,136
Assessor	629,047	629,047	383,925	245,122	377,048
City attorney	508,901	508,901	328,247	180,654	320,040
Municipal court	124,931	124,931	83,850	41,081	91,556
Human resources	293,597	293,597	213,287	80,310	205,657
City hall and other municipal buildings	347,417	347,417	189,537	157,880	184,352
Unclassified	29,275	29,275	13,052	16,223	34,837
Total General Government	<u>4,115,804</u>	<u>4,115,804</u>	<u>2,674,529</u>	<u>1,441,275</u>	<u>2,596,959</u>
<b>PUBLIC SAFETY</b>					
Police department	8,657,499	8,672,374	5,455,771	3,216,603	5,580,123
Fire department	3,412,851	3,412,851	2,174,002	1,238,849	2,358,033
Ambulance	2,894,524	2,894,524	1,904,698	989,826	1,856,097
Inspections and electrical systems	601,912	611,112	422,048	189,064	373,684
Total Public Safety	<u>15,566,786</u>	<u>15,590,861</u>	<u>9,956,519</u>	<u>5,634,342</u>	<u>10,167,937</u>
<b>TRANSPORTATION AND STREETS</b>					
Engineering	1,417,946	1,417,946	952,440	465,506	896,620
Department of public works	6,374,484	6,548,512	4,470,277	2,078,235	3,994,911
Total Transportation and Streets	<u>7,792,430</u>	<u>7,966,458</u>	<u>5,422,717</u>	<u>2,543,741</u>	<u>4,891,531</u>
<b>SANITATION, HEALTH AND WELFARE</b>					
Garbage and refuse collection	1,481,300	1,481,300	859,302	621,998	828,824
<b>NATURAL RESOURCES/RECREATION</b>					
Parks and recreation	2,419,032	2,437,790	1,079,460	1,358,330	1,251,146
<b>TOTAL EXPENDITURES</b>	<u>\$ 31,375,352</u>	<u>\$ 31,592,213</u>	<u>\$ 19,992,527</u>	<u>\$ 11,599,686</u>	<u>\$ 19,736,397</u>

**CITY OF WAUSAU, WISCONSIN**  
**GENERAL FUND**  
**SUMMARY OF BUDGET MODIFICATIONS**  
Period Ended August 31, 2014

**BUDGET REVENUES RECONCILIATION**

2014 ADOPTED BUDGET	\$ 31,375,352
Resolution 13-1109 Budget carryover for Police Department for 60 body armor vests	<u>7,437</u>
2014 MODIFIED BUDGET	<u>\$ 31,382,789</u>

**BUDGET EXPENDITURES RECONCILIATION**

2014 ADOPTED BUDGET	\$ 31,375,352
Resolution 13-1109 Budget carryover for Inspections Department for purchase of mobile devices and related data plans to complete scanning of building plans	9,200
Resolution 13-1109 Budget carryover for Police Department for 60 body armor vests	14,875
Resolution 13-1109 Budget carryover for Public Works projects - Complete 2012 Seal coating and line painting projects	174,028
Resolution 13-1109 Budget carryover for Parks Department - Complete 2012 Tree removal, grinding and planting project	<u>18,758</u>
2014 MODIFIED BUDGET	<u>\$ 31,592,213</u>

**From:** [Keene Winters](#)  
**To:** [MaryAnne Groat](#)  
**Subject:** FW: Development agreements next Finance Committee  
**Date:** Monday, September 15, 2014 3:31:38 PM

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Please place a copy of this note from Ann Werth in the Finance packet. Keep the agenda item on the list.

Thank you.

Keene T. Winters, Alderman  
Wausau Common Council District 6  
3824 Riverview Drive  
Wausau, WI 54403  
Phone: 715-675-0060  
Fax: 715-298-0558

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From: Ann Werth  
Sent: Friday, September 12, 2014 8:50 AM  
To: Jim Tipple; Keene Winters  
Subject: Development agreements next Finance Committee

Gentlemen,

I have been informed by Maryanne that Keene, you have requested the development agreements, and a summary of terms and conditions for each agreement from 2006 forward.

I will be unable to complete this task in the time frame allotted as I will be out of the office next week for Community Development Authority business. As you both know, half of my time is allocated to the Authority and is paid with public housing federal funds.

I and my staff will continue to work on your request and complete it as soon as possible so it can appear on the Finance Agenda, meeting the time frame of materials in advance.

Thank you,

Ann

Ann Werth  
Community Development Director  
407 Grant Street  
Wausau, WI 54403

715-261-6686 Phone  
715-261-6808 Fax  
[cid:image002.jpg@01CFCE66.8B37CDF0]



**TO:** FINANCE COMMITTEE MEMBERS

**FROM:** MARYANNE GROAT

**DATE:** SEPTEMBER 16, 2014

**SUBJECT:** UPDATE ON BACK TAX PAYMENTS BY WAUSAU WINDOW AND WALLS

On August 13<sup>th</sup>, 2014, the Common Council considered a joint resolution from the Finance Committee and Economic Development Committees regarding an amendment to the 2007 development agreement with Scannell Properties #92 LLC – Wausau Window and Walls. This resolution failed on the council floor.

The Economic Development Committee is considering an alternative amendment at the September 18<sup>th</sup> meeting. Details of this amendment are attached.

Attachments:

- Memo from Megan Lawrence to the ED Committee regarding an alternate proposal
- Resolution 07-0814 considered by the Common Council on August 13, 2014



**TO:** ECONOMIC DEVELOPMENT COMMITTEE MEMBERS  
**FROM:** MEGAN LAWRENCE  
**DATE:** SEPTEMBER 3, 2014  
**SUBJECT:** WAUSAU WINDOW & WALL

**Background:**

On August 20, 2007 the City of Wausau entered into a Development with Scannell Properties Inc for the construction of a manufacturing facility for Wausau Window and Wall located at 7800 International Drive.

Terms of the agreement required Wausau Window & Wall to meet a minimum assessed value of \$19 million, which did not occur.

On August 13, 2014, the Common Council denied Wausau Window's request to amend the 2007 agreement. Now the Economic Development Committee is being asked to consider a payment plan so that Wausau Window and Wall may budget for \$312,072.19 currently due under the 2007 agreement.

Wausau Window respectfully requests any interest payments are waived. Wausau Window will pay the \$312,072.19 over the remaining ten years of the agreement. Beginning this year, Wausau Window will pay the property tax at the minimum valuation of \$19 million, plus \$31,200 per year.

In round numbers, Wausau Window would pay as follows:

Annual property tax	\$450,000
Additional payment	<u>+\$31,200</u>
Total	\$481,200

Wausau Window & Wall is a well respected industry leader and one of our City's largest employers. The construction of their new facility increased their property taxes from \$39,110 on West Street to \$405,000 on International Drive. Please consider assisting Wausau Window & Wall with the requested payment plan.

**JOINT RESOLUTION OF THE ECONOMIC DEVELOPMENT  
AND FINANCE COMMITTEES**

Authorizing the amendment to August 2007 Development Agreement between the City of Wausau and Scannell Properties #92 LLC ( Wausau Window & Wall), 7800 International Drive.

Committee Action:     ED: Approved 2 – 1  
                              Finance: Approved 3 – 1

Fiscal Impact:         \$312,072.19   Any new revenues would be realized beginning 2015

<b>File Number:</b> 07-0814	<b>Date Introduced:</b> August 13, 2014
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**WHEREAS**, the Business Campus of Wausau (“the City”) benefits all residents and tax payers of the City by serving as the industrial center of the region, thereby stimulating the economy of the City and enhancing the City’s tax base; and

**WHEREAS**, on August 20, 2007 the City entered into a Development Agreement with Scannell Properties 92, LLC (“Scannell”) for the construction of a manufacturing facility, authorizing the financing of the City’s portion of the project, and for the other necessary public improvements; and

**WHEREAS**, the development project occurred in Tax Incremental District 5; and

**WHEREAS**, Scannell was unaware they did not achieve the minimum taxable valuation amount at the Development Site of \$19 million as required by the Development Agreement dated August 20, 2007 and failed to pay the guaranteed tax increment; and

**WHEREAS**, Scannell desires to amend only the start date of paragraph II. C. of the Development Agreement to January 1, 2014 and extend the term for a period of 15 years, ending December 31, 2028; and

**WHEREAS**, an amendment to paragraph II. C. of the Development Agreement would waive all applicable fees and interest currently due; and

**WHEREAS**, the Finance and Economic Development Committees have considered this request and voted in favor of such an amendment; and

**BE IT RESOLVED**, the attached Development Agreement Amendment modifies the start date to January 1, 2014 and extends Scannell’s obligations under paragraph II. C. of the agreement through December 31, 2028; and

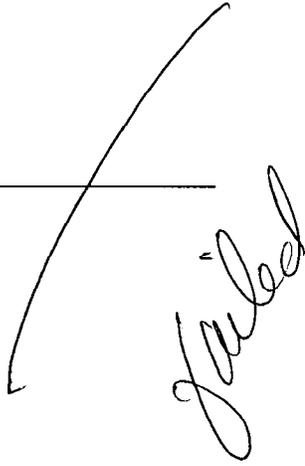
**BE IT FURTHER RESOLVED**, any amount currently due pursuant to paragraph II. C. of the Development Agreement dated August 20, 2007 is hereby waived upon execution of the attached amendment; and

**BE IT FURTHER RESOLVED**, by the Common Council of the City of Wausau that the proper City officials and staff are hereby authorized and directed to execute the attached Development Agreement Amendment.

Approved:

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James E. Tipple, Mayor

A handwritten signature in cursive script, appearing to read "James E. Tipple", is written over a horizontal line. A large, sweeping, curved line is drawn over the signature and extends upwards and to the left.

### **ED Meeting on 7/17**

Oberbeck was excused from the meeting at 6:25. There still was a quorum.

#### **DISCUSSION AND POSSIBLE ACTION ON PROPOSED AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH SCANNELL PROPERTIES #92, LLC, REGARDING THE PROPERTY LOCATED AT 7800 INTERNATIONAL DRIVE**

Jim Waldron explained that they would like to restart the clock on the 2007 agreement in 2014. The agreement would be for 15 years at the taxation value of 19 million dollars.

Wagner motioned to approve amendment to development agreement. Rasmussen seconded and the motion carried 2-1 Rasmussen voted against it.

**FINANCE COMMITTEE**

Date and Time: Wednesday, June 25 2014 @ 5:30 pm., Board Room

Members Present: Nagle, Oberbeck, Winters, Kellbach, Nutting

**Review of Past Development Agreements with Apogee/Wausau Window & Wall**

Werth summarized the past and current agreements with Apogee/Wausau Window & Wall and the obligations of both parties in each agreement. She addressed the obligations of the second agreement that was done in 2011: 1) obtain the rezoning; 2) clear the site and maintain it as grassland; and 3) sale proceeds in excess of \$1.2 million would be equally split between Wausau Window & Wall and city to a maximum amount of \$400,000. The first and second obligations have been met and in regard to the third, they are actively marketing the property, however to date there are no prospective buyers. The city obligation was reimbursement of demolition and clearing costs of no more than \$400,000; the final total cost was \$259,670. Winters requested staff to obtain the current assessed value of the property.

Werth addressed the first agreement (Scannell) which lays the following obligations on the site of Wausau Window & Wall: 1) construct a 370,000 square foot non-tax exempt facility by October 31, 2008; 2) employ approximately 450 workers by September 1, 2009; 3) minimum taxable value of \$19 million before December 31, 2008; 4) provide appraisal no later than December 31, 2008 or other evidence of value; 5) beginning in 2009 pay guaranteed tax increment, if applicable; 6) may not petition for a decrease in assessed valuation; 7) maintain site in good order and condition; and 8) maintain necessary insurance. She indicated all obligations were completed except #3 which they were addressing. The city was obligated to provide 20 acres option for 10 years at a price of \$21,250 per acre; she noted they have not exercised that option to date. The city would also contribute \$2,957,000 to the project as a grant.

Winters indicated that we are working on developing a format for development agreements. He suggested in order to help them as policy makers, that when some part of a development agreement has been met that the staff would state such in parentheses on something like a check off sheet. Werth noted her department is going through passed agreements to see where things are so we can develop the same type of spreadsheets to see what remains out there. Winters also requested that when funding is listed the TIF District it is coming from be shown, as well as when the TIF expires.

Discussion took place regarding the \$19 million valuation requirement that was not met. Jim Waldren, President of Wausau Window & Wall, updated the committee on the progress of the company and explained the issue with not meeting the valuation. He proposed restarting the clock on the minimum valuation, so starting in 2014 they will pay the minimum valuation of \$19 million or market value, whichever is higher, and extend the agreement five more years. Winters indicated they would bring the proposal back to a future Finance Agenda for consideration.

Oberbeck commented we can't control assessed value and suggested putting a construction value into agreements instead of a fair market value because we don't have that control.

\*\*\*\*\*

**FINANCE COMMITTEE**

Date and Time: Tuesday, July 22, 2014 @ 4:30 pm., Board Room

Members Present: Nagle, Winters, Kellbach, Nutting

Members Absent: Oberbeck

**Consider amendment to August 20, 2007 development agreement Scannell Properties #92 LLC and Apogee Wausau Group, Inc. (Wausau Window and Wall) - Ann Werth**

Ann Werth explained in the original agreement to build Wausau Window and Wall there was a stipulation that it would have a value of \$19 million and that has not been met. She stated this was a 15 year agreement with the city which they would like to honor and they are requesting that it start over in 2014 and continue forward.

Motion by Nagle, second by Nutting to approve the amendment to the development agreement. Motion carried 3-1. (Winters was the dissenting vote)

**AMENDMENT TO TID #5 DEVELOPMENT AGREEMENT  
SCANNELL PROPERTIES #92, LLC**

THIS AMENDMENT to the TID #5 Development Agreement between the City of Wausau and Scannell Properties #92, LLC is dated \_\_\_\_\_, 2014.

WHEREAS, the original Development Agreement was dated August 20, 2007; and

WHEREAS, the original development encompassed the new construction of a manufacturing operation for Wausau Window & Wall, the improvements being approximately 19 million dollars in value, and the operation employing approximately 450 workers; and

NOW, THEREFORE, in consideration of the mutual agreement set forth below and agreed to in the Development Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. I. DEFINITIONS

“Term” means the term of this Agreement, which will commence, August 20, 2007 except for II.C., which shall be a term beginning January 1, 2014 and ending December 31, 2028.

2. II. FACTORY DEVELOPMENT

C. The starting date shall be modified from 2009 to January 1, 2014.

No interest shall accrue on delinquent unpaid amounts due and owing.

IN WITNESS WHEREOF, each party has caused this Amendment to be duly executed as of the date first set forth above.

WITNESS

CITY OF WAUSAU BY:

\_\_\_\_\_

\_\_\_\_\_  
James E. Tipple, Mayor

\_\_\_\_\_

\_\_\_\_\_  
Toni Rayala, Clerk

SCANNELL PROPERTIES #92, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

# Wausau Window and Wall Development Agreement Terms

## 1. Agreement Dated August 20, 2007 between the City of Wausau and Scannell Properties #92 LLC. – TID # 5

### Scannell Obligations:

- **Construct 370,000 square foot facility non-tax-exempt facility by October 31, 2008**  
Completed in 2007
- **Intend to employ approximately 450 workers by September 1, 2009**  
In 2008, Wausau Window & Wall employed 454 people. As a result of the economic recession, Wausau Window & Wall was forced to go from three shifts to two, thus dropping employment total to 283 as of September 1, 2009. There are no remedies for failure to comply with the job requirements in the development agreement dated August 20, 2007. Not completed as of September 1, 2009. Wausau Window and Wall currently employs 417 people.
- **Minimum Taxable Value of \$19,000,000 before December 31, 2008**  
Not completed  
The State of Wisconsin assesses manufacturing property values. The assessments were as follows:  
2013 - \$16,807,500  
2012 - \$16,775,400  
2011 - \$16,260,000  
2010 - \$16,063,400  
2009 - \$16,422,900  
2008 - \$0.00
- **Provide Appraisal not later than December 31, 2008 or other evidence of value**  
Completed in August 2008. The property was appraised at \$19,000,000.
- **Beginning in 2009 pay Guaranteed Tax Increment, if applicable.** Not completed.
- **May not petition for a decrease in assessed valuation.** Done
- **Maintain site in good order and condition.** Done
- **Maintain necessary insurance.** Done

### City of Wausau Obligations:

- **Provide 20 acre option for 10 years at a price of \$21,250 per acre.** Done
- **Contribute a grant of \$2,957,000 to the project from TID # 5.** Done

## **2. Agreement Dated March 29, 2011 between the City of Wausau and Wausau Window and Wall Systems – TID #6**

### **Wausau Window and Wall Obligations:**

- Obtain re-zoning for property from M2 to B Commercial. Done
- Clear site including black top surfaces and maintain as grass land. Done
- Sale proceeds in excess of \$1.2 million shall be split equally between WWW and City of Wausau to a maximum amount of \$400,000.  
1415 West Street is currently listed at \$1,550,000 by Newmark Grubb Pefefferle
- Communicate and coordinate with the City regarding offers to purchase  
The parties communicate on a regular basis regarding the property.

Prior to the demolition of the building, the property had an assessed value of \$1,824,700. Currently the property has an assessed value of \$439,700. Wausau Window & Wall's 2013 tax obligation on the project was \$19,598.24

### **City of Wausau Obligations:**

- Reimburse demolition and clearing costs of no more than \$400,000. Done - the actual expenditure was \$259,670.
- City retains first right of refusal

## **3. Agreement Dated May 27, 2014 between the City of Wausau and Apogee Wausau Group – development agreement pending final approval of the Economic Development Committee on July 17, 2014 – TID #5**

### **Wausau Window and Wall Obligations:**

- Create 124 new full time jobs by June 1, 2017
- Transfer 1.028 acres as defined in the agreement to the City via warranty deed

### **City of Wausau Obligations:**

- Contribute a grant of \$500,000 to the project from TID #5
- The B.A. Esther Greenheck and Judd S. Alexander Foundation each contributed \$50,000 towards workforce development for Wausau Window & Wall. The City of Wausau will administer the funding, as specified by the respective foundations.

**AMENDMENT TO TID #5 DEVELOPMENT AGREEMENT  
SCANNELL PROPERTIES #92, LLC**

THIS AMENDMENT to the TID #5 Development Agreement between the City of Wausau and Scannell Properties #92, LLC is dated \_\_\_\_\_, 2014.

WHEREAS, the original Development Agreement was dated August 20, 2007; and

WHEREAS, the original development encompassed the new construction of a manufacturing operation for Wausau Window & Wall, the improvements being approximately 19 million dollars in value, and the operation employing approximately 450 workers; and

WHEREAS,

NOW, THEREFORE, in consideration of the mutual agreement set forth below and agreed to in the Development Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. I. DEFINITIONS

"Term" means the term of this Agreement, which will ~~commence be 15 years from the date of this Agreement, be 15 years from the date of this Agreement, August 20, 2007~~ except for I.C., which shall be a term beginning ~~August 20~~ January 1, 2014 and ending ~~August 20~~ December 31, 2028.

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2. II. FACTORY DEVELOPMENT

C. The starting date shall be ~~modified from 2009 to~~ January 1, 2014.

No interest shall accrue on delinquent unpaid amounts due and owing.

IN WITNESS WHEREOF, each party has caused this Amendment to be duly executed as of the date first set forth above.

WITNESS

CITY OF WAUSAU BY:

\_\_\_\_\_

\_\_\_\_\_

James E. Tipple, Mayor

\_\_\_\_\_

\_\_\_\_\_

Toni Rayala, Clerk

SCANNELL PROPERTIES #92, LLC

**AMENDMENT TO TID #5 DEVELOPMENT AGREEMENT  
SCANNELL PROPERTIES #92, LLC**

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IN WITNESS WHEREOF, each party has caused this Amendment to be duly executed as of the date first set forth above.

WITNESS

\_\_\_\_\_  
  
\_\_\_\_\_

CITY OF WAUSAU BY:

\_\_\_\_\_  
James E. Tipple, Mayor  
  
\_\_\_\_\_  
Toni Rayala, Clerk

SCANNELL PROPERTIES #92, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

OFFICIAL PROCEEDINGS OF THE WAUSAU COMMON COUNCIL  
held on Wednesday, August 13, 2014, at 7:00 pm in the Council Chambers at City Hall. Mayor  
Tipple presiding.

Item # 081414

07-0814 Scannell Properties

08/13/2014 8:29:32 PM

Motion by Wagner, second by Nagle to adopt a Joint Resolution of the Economic Development and Finance Committees authorizing the amendment to August 2007 Development Agreement between the City of Wausau and Scannell Properties #92 LLC (Wausau Window & Wall) 7800 International Drive.

Yes Votes: 5

No Votes: 6

Abstain: 0

Not Voting: 0

Result: FAIL

<u>District</u>	<u>Aldersperson</u>	<u>Vote</u>
1	Nagle, William P.	YES
2	Wagner, Romey	YES
3	Nutting, David	YES
4	Neal, Tom	YES
5	Gisselman, Gary	YES
6	Winters, Keene	NO
7	Rasmussen, Lisa	NO
8	Kellbach, Karen	NO
9	Oberbeck, David	NO
10	Abitz, Sherry	NO
11	Mielke, Robert	NO



**TO:** FINANCE COMMITTEE MEMBERS

**FROM:** ANN WERTH

**DATE:** SEPTEMBER 16, 2014

**SUBJECT:** ACQUISITION OF 1006 N 1<sup>ST</sup> STREET – RIVERFRONT REDEVELOPMENT

The City has one remaining unassembled parcel crucial to the redevelopment of the riverfront, 1006 N 1<sup>st</sup> Street. This parcel will allow the City to develop Fulton Street as a significant promenade to the waterfront depicted in the attached redevelopment rendering. The Economic Development Committee reviewed and recommended the purchase of the property and the Finance Committee provided acquisition directives in closed session on May 13<sup>th</sup>, 2014 and September 9<sup>th</sup>, 2014. I will update the committee on the acquisition efforts in closed session. The assessed value, along with pictures of the site and a map providing its location are attached.

All information pertaining to negotiations and bargaining will be provided to the committee in closed session.



AGENDA ITEM  
# 13  
(FOR CLOSED SESSION)

City of Wausau REQUESTED BY: WEBUSER Run: 12:58 PM 05/07/2014 Page: 1 of 1 Parcel: 291 2902-253-449

COSMOS PROPERTIES LLC  
COSMOS PROPERTIES LLC,  
7020 PACKER DR  
WAUSAU, WI 54401

1008 N 1ST ST  
WAUSAU

STEWART PARCHER & MANSON'S  
ADD THAT PT OF LOTS 4 & 5 &  
THE N 56' OF LOT 3 BLK F  
LYG E OF R/R RW  
Appraiser : MEL  
Appr Date :  
Prop Use : 2  
Schl Dist : W00  
TID : 03  
Entrance : 0  
Nbnhd Code : 000202.00  
Value By : C  
Class Code: 2

AREA	GR AREA	PCT	AJ AREA
BSTOR	864	100	864
SCAR	864	100	864

Basement storage  
Garage, service

LAND VALUE	37,100
MISC VALUE	0
BLDG VALUE	15,900
CAMA VALUE	0
TOTAL VALUE	53,000
VALUE BR	OVERRIDE

NBHD 000202.00

Factors: L100 M100 B100

Building Values:

STYLE COMM BLDG NO. 001  
Groupcode: IND  
Bldg Use: SGAR Service Garage  
Perimeter: 0120  
Stories : 01  
Quality : AV Average  
Roof Type: GBL Gable  
Ext Wall : CB Concrete Block  
Int Fin : NA Not applicable  
Rms/Units: 0001  
Baths/RR : 001  
Air Cond : NONE  
Heating : NO  
Frame : D Wood/steel frame  
Elev Adj : NA Not Applicable  
Story Hgt: 11  
Act Year : 1930  
Rem Year : 0000  
Eff Year : 1977  
Condition: AV Average  
Depr Tab : 0D  
Pc Dp(Bd) : 055  
Obs Code : NA  
Func Obs : 000  
Econ Obs : 000  
Overrides: 000.00  
Appraiser:  
Appr Date:  
TOT LIV UNITS  
#1BR #2BR #3BR  
000 000 000  
Pct Compl:  
Rntl Sgft:

GRANTOR NAME	BOOK/PAGE	SI DATE	QT	VI	SALE PRICE
WINTERHOFF, CHRISTIAN & TRANS	156/6250	03/10	X	I	66,500
CORLIZ LLC, & SHERIFF'S DEED	156/5366	03/10	X	I	40,000
JANSEN, WAYNE W & KATHLEEN M	142/3136	09/05	N	I	45,000
	477/636	04/88	X	I	6,500

PERM ID# ISSUE DT TYPE DESCRIPTION AMOUNT

REC BLDG CODE	DESCRIPTION	LENGTH	WIDTH	UNITS	EYB
1	260 Commercial	.00	.00	5304.00 S	

REC BLDG CODE DESCRIPTION ZONING FRONTAGE DEPTH UNITS TP  
1 260 Commercial M2 .00 .00 5304.00 S  
ADJ CODES

Pictometry® View for Geocortex

Preferences Help

Image Date:

Pan Rotate Counter Clockwise Explorer

20120329

Location Coordinates

Measure Distance

Measure Height

Measure Elevation

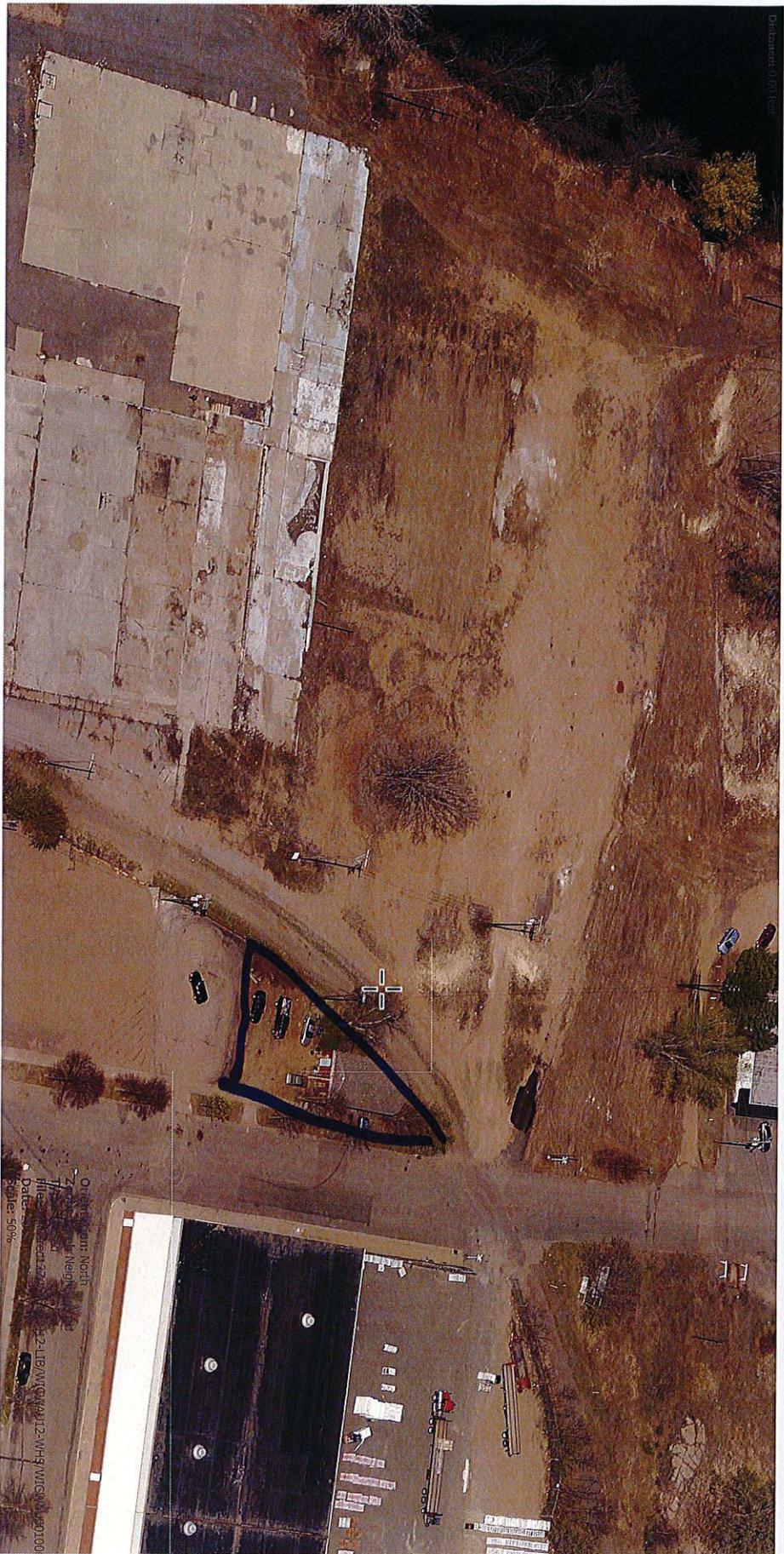
Measure Area

Measure Bearing

Measure Area

Export Tasks

Measurement



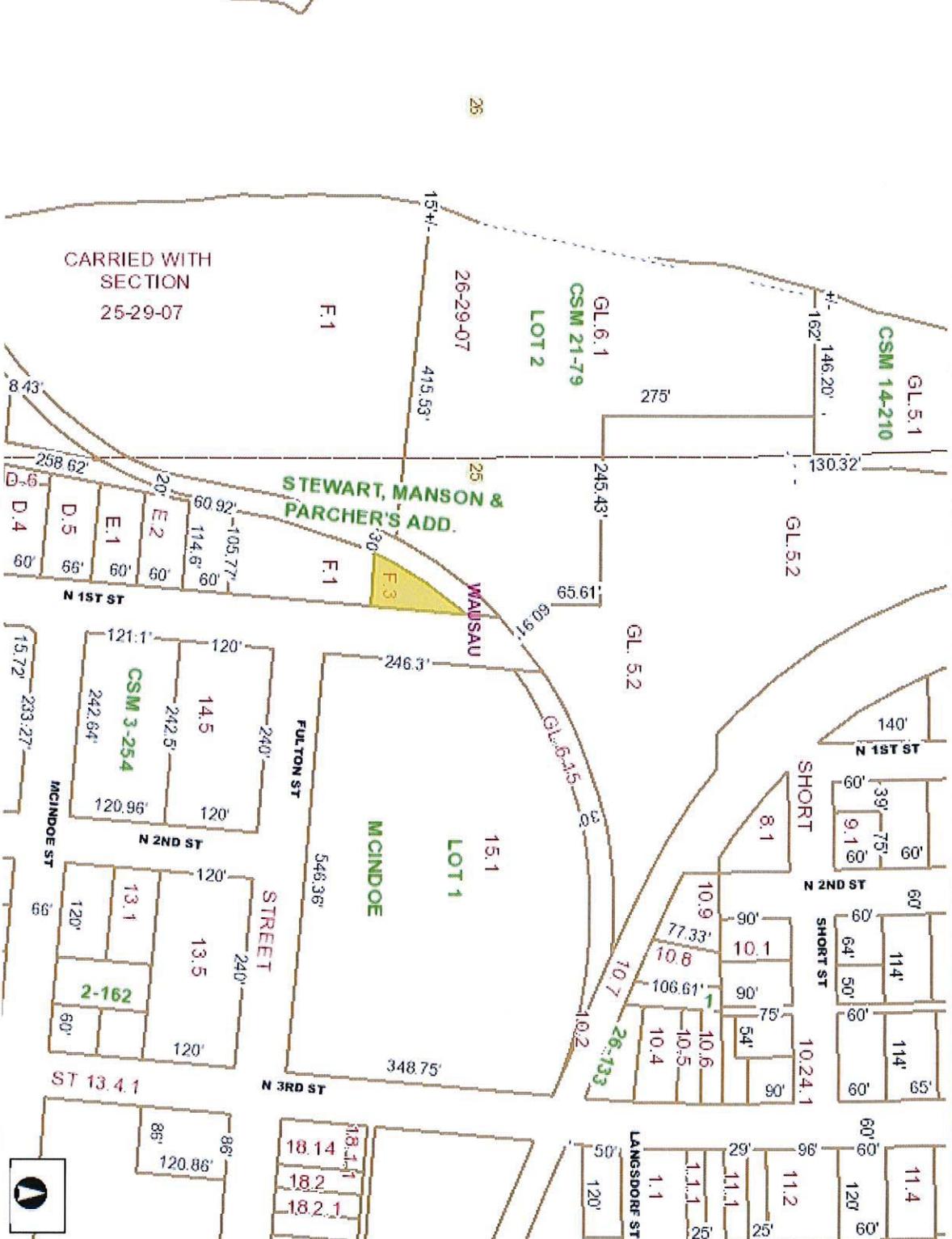


01/03/2013



01/03/2013





- HAUSEY
- BERN
- MAINE
- TEXASHEWITT
- HOLTOM
- STETIN
- EASTON
- HULL
- WIENCASSER
- RINGLE
- BRIGHT
- QUEMMET
- REID
- SPENCER
- DAY
- MOSINE
- BEVANT
- BERGEN
- FRANZEN

- Legend**
- Parcel Annotations
  - Parcels
  - Section Lines/Numbers
  - Municipalities

**Notes**

DISCLAIMER: The information and depictions herein are for informational purposes and Marathon County-City of Wausau specifically disclaims accuracy in this reproduction and specifically admonishes and advises that if specific and precise accuracy is required, the same should be determined by procurement of certified maps, surveys, plats, Flood Insurance Studies, or other official means. Marathon County-City of Wausau will not be responsible for any damages which result from third party use of the information and depictions herein or for use which ignores this warning.

THIS MAP IS NOT TO BE USED FOR NAVIGATION

96.23 0 96.23 Feet

User\_Defined\_Lambert\_Conformal\_Conic

**ITY OF WAUSAU, 407 Grant Street, Wausau, WI 54403**

**RESOLUTION OF FINANCE COMMITTEE**

Approving amendment to Parking Space Lease Agreement between City of Wausau and Murdock Wausau Limited Properties

Committee Action: Pending

Fiscal Impact: Reduction in parking revenue will be \$33,600 annually

**File Number:** 08-0710

**Date Introduced:** September 23, 2014

**RESOLUTION**

**WHEREAS**, a Parking Space Lease Agreement was entered into on August 1, 2008 with Murdock Wausau Limited Properties (“Murdock”) for parking spaces at the McClellan Parking Ramp and Jefferson Street Parking Ramp and has now expired; and

**WHEREAS**, the Murdock would like to reinstate the lease agreement upon the following terms (“amendment”):

1. 350 stalls – up to 300 stalls within the McClellan Parking Ramp and adjacent lot and up to 50 stalls in the Jefferson Street Parking Ramp
2. Parking permit monthly rate of \$27 per space for the five (5) year term
3. Agreement term August 1, 2014 to July 31, 2019
4. If the McClellan Parking Ramp is no longer serviceable for parking during the term, the City agrees to relocate the parking permits to a location(s) within 100 yards of the facility

**WHEREAS**, your Finance Committee, at their June 25, 2014 meeting, reviewed the terms of the amendment and recommended that the rental rate be reviewed after the first year of the five (5) year term rather than fixed for the entire five (5) year term; and

**WHEREAS**, the Common Council, at their July 8, 2014 meeting, discussed the amendment and voted to table the item and refer it to the Economic Development Committee; and

**WHEREAS**, your Economic Development Committee, at their July 17, 2014 meeting, reviewed the terms and recommended approval of the amendment with a \$27 monthly fixed rate for the entire five (5) year term; and

**WHEREAS**, your Common Council, at their August 13, 2014 meeting, approved the amendment to the Parking Space Lease Agreement between the City of Wausau and Murdock as

recommended by the Finance Committee with a fixed rental rate for the first year of the term, to be reviewed after the first year; and

**WHEREAS**, Murdock has asked the City to reconsider authorizing a fixed monthly rental rate per space for the entire five (5) year term as it is critical to its financing arrangements; and

**WHEREAS**, Murdock has requested that in the event the spaces at the McClellan Parking Ramp become unavailable during the five (5) year term that up to 300 such spaces be relocated within 100 yards of the McClellan Parking Ramp; and

**WHEREAS**, your Finance Committee, at their September 23, 2014 meeting recommends the changes to the amendment requested by Murdock.

**NOW, THEREFORE, BE IT RESOLVED**, by the Common Council of the City of Wausau that the proper City officials are hereby authorized and directed to execute an amendment to the Parking Space Lease Agreement between the City of Wausau and Murdock Wausau Limited Properties, a copy of which amendment is attached hereto and incorporated herein by reference, which approves, among other things relocation of 300 parking spaces within 100 yards of the McClellan Parking Ramp in the event they become unavailable and a fixed \$27 per space monthly parking permit rate for a five (5) year term.

Approved:

---

James E. Tipple, Mayor

PARKING SPACE LEASE AGREEMENT  
BETWEEN THE CITY OF WAUSAU AND  
MURDOCK WAUSAU LIMITED PROPERTIES

AMENDMENT

THIS Amendment is made this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by and between the CITY OF WAUSAU, a municipal corporation and MURDOCK WAUSAU LIMITED PROPERTIES.

The parties hereby agree to amend the Agreement entered into on August 1, 2008 as follows:

1. **LEASE.** Subject to the terms and conditions of this Agreement, CITY leases to LESSEE parking spaces to use in common with other Lessees and the public, up to fifty (50) unreserved permit parking spaces in a portion of the Jefferson Street Parking Ramp and up to three hundred (300) unreserved permit parking spaces in a portion of the McClellan Parking Ramp ("PARKING FACILITY") and adjacent Scott Street lot at \$27.00 each. LESSEE may use and occupy these unreserved permit parking spaces in the Parking Facility on the indicated dates at the indicated times for the parking rates stated below for the following express purposes and no other purpose: parking is for normal passenger vehicles only including pick-up trucks and passenger size vans provided they meet any height restriction of the PARKING FACILITY. The CITY shall in no manner be obligated to provide any particular parking space. This lease is transferable and may be assigned with prior written consent of the Lessor not to be unreasonably withheld. A map locating the eligible unreserved permit parking spaces is identified on the PARKING FACILITY map attached and referred to as Exhibit A.

If the McClellan Street Parking Ramp is no longer serviceable for parking during the term of this lease, the City will provide up to a maximum of 300 unreserved permit parking spaces within 100 yards of the Lessee's office building located at 500 N. 3<sup>rd</sup> Street.

2. **TERMS/DAYS/HOURS.** This lease shall be for the period beginning the 1<sup>st</sup> day of August, 2014, through the 31<sup>st</sup> day of July, 2019. The rate of \$27.00 per stall applies to the first year of the five (5) year term. The rate will be reviewed after the first year. LESSEE is authorized to park in the PARKING FACILITY:

- Monday through Friday between the hours of 6:00AM through 6:00PM; or
- Seven (7) days per week a week, twenty four hours per day; or
- \_\_\_\_\_ days per week \_\_\_\_\_, between the hours of \_\_\_\_\_ through \_\_\_\_\_.

Paragraph 5 is hereby deleted in its entirety.

IN WITNESS WHEREOF, the CITY and MURDOCK WAUSAU LIMITED PROPERTIES have caused this Amendment to be duly executed as of the date first set forth above.

WITNESS

CITY OF WAUSAU BY:

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James E. Tipple, Mayor

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---

Toni Rayala, Clerk

MURDOCK WAUSAU LIMITED  
PROPERTIES BY:

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PARKING SPACE LEASE AGREEMENT  
BETWEEN THE CITY OF WAUSAU AND  
MURDOCK WAUSAU LIMITED PROPERTIES

AMENDMENT

THIS Amendment is made this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by and between the CITY OF WAUSAU, a municipal corporation and MURDOCK WAUSAU LIMITED PROPERTIES.

The parties hereby agree to amend the Agreement entered into on August 1, 2008 as follows:

1. **LEASE.** Subject to the terms and conditions of this Agreement, CITY leases to LESSEE parking spaces to use in common with other Lessees and the public, up to fifty (50) unreserved permit parking spaces in a portion of the Jefferson Street Parking Ramp and up to three hundred (300) unreserved permit parking spaces in a portion of the McClellan Parking Ramp ("PARKING FACILITY") and adjacent Scott Street lot at \$27.00 each. LESSEE may use and occupy these unreserved permit parking spaces in the Parking Facility on the indicated dates at the indicated times for the parking rates stated below for the following express purposes and no other purpose: parking is for normal passenger vehicles only including pick-up trucks and passenger size vans provided they meet any height restriction of the PARKING FACILITY. The CITY shall in no manner be obligated to provide any particular parking space. This lease is transferable and may be assigned with prior written consent of the Lessor not to be unreasonably withheld. A map locating the eligible unreserved permit parking spaces is identified on the PARKING FACILITY map attached and referred to as Exhibit A.

~~When~~ **If** the McClellan Street Parking Ramp is no longer serviceable for parking **during the term of this lease**, the City will ~~consider construction of a new ramp to serve the needs of the Lessee's tenants in the present location of the McClellan Street Parking Ramp or~~ **provide up to a maximum of 300 unreserved permit parking spaces** within 100 yards of the Lessee's office building located at 500 N. 3<sup>rd</sup> Street.

2. **TERMS/DAYS/HOURS.** This lease shall be for the period beginning the 1<sup>st</sup> day of August, 2014, through the 31st day of July, 2019. The rate of \$27.00 per stall applies to the first year of the five (5) year term. The rate will be reviewed after the first year. LESSEE is authorized to park in the PARKING FACILITY:

- Monday through Friday between the hours of 6:00AM through 6:00PM; or
- Seven (7) days per week a week, twenty four hours per day; or
- \_\_\_\_\_ days per week \_\_\_\_\_, between the hours of \_\_\_\_\_ through \_\_\_\_\_.

5. **DURATION.** ~~This lease shall terminate at the earlier of, five years from the lease effective date, the date the PARKING FACILITY ceases to be available to the CITY or at the end of the lease term.~~

~~The amendment hereby excludes the following paragraph from Section 5. Duration:~~

~~This lease shall be renewable on like terms for one additional five year term upon at least 120 day notice to Lessor, prior to the end of the first lease term.~~

**Paragraph 5 is hereby deleted in its entirety.**

IN WITNESS WHEREOF, the CITY and MURDOCK WAUSAU LIMITED PROPERTIES have caused this Amendment to be duly executed as of the date first set forth above.

WITNESS

CITY OF WAUSAU BY:

\_\_\_\_\_

\_\_\_\_\_  
James E. Tipple, Mayor

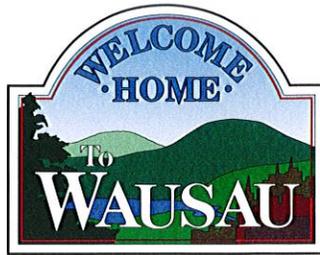
\_\_\_\_\_

\_\_\_\_\_  
Toni Rayala, Clerk

MURDOCK WAUSAU LIMITED  
PROPERTIES BY:

\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_



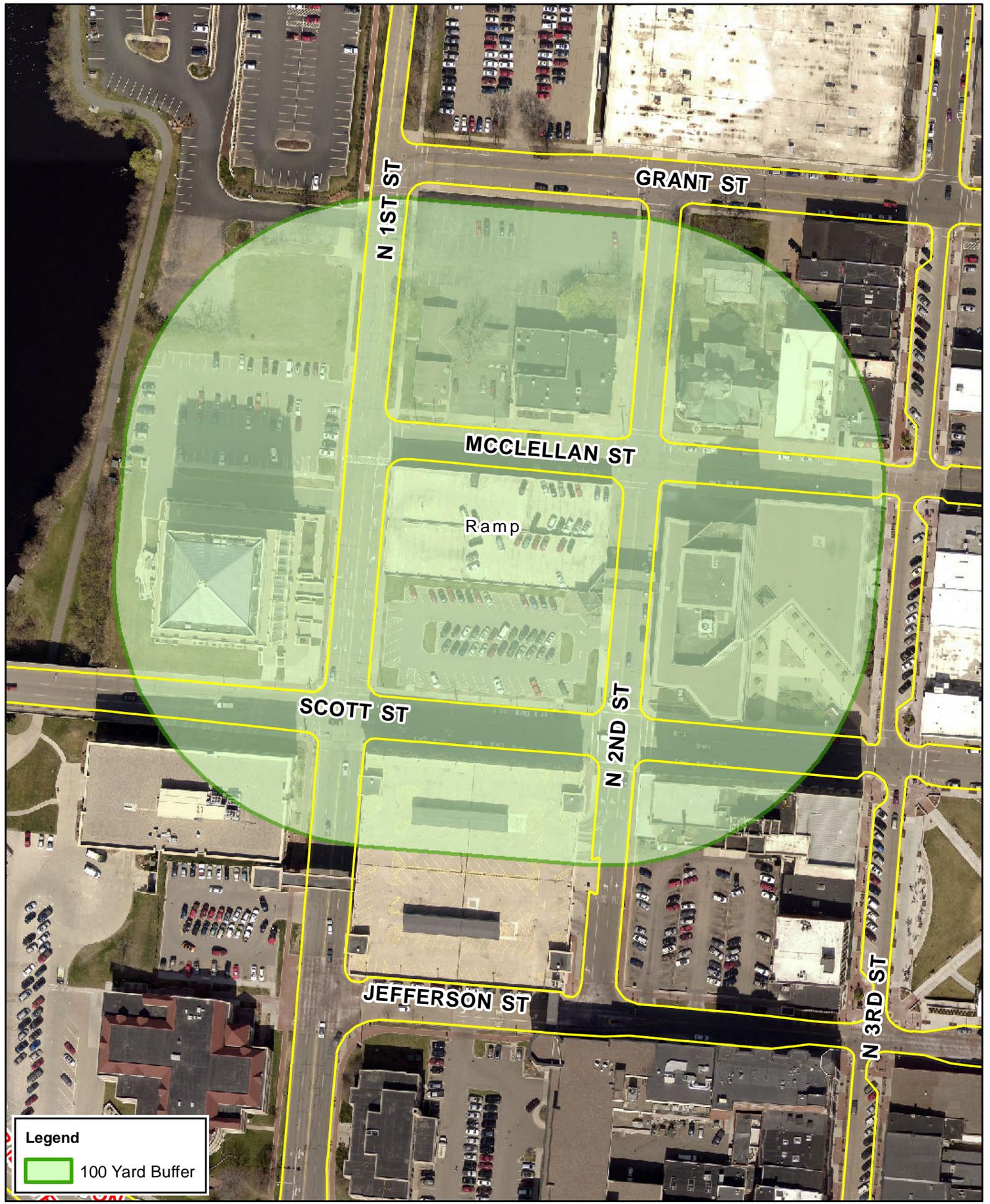
Office of the City Attorney

Anne L. Jacobson  
City Attorney

Tara G. Alfonso  
Assistant City Attorney

COMMENTS CONCERNING  
PARKING SPACE LEASE AGREEMENT  
BETWEEN THE CITY OF WAUSAU AND  
MURDOCK WAUSAU LIMITED PROPERTIES

- On June 25, 2014, the Finance Committee recommended approval of an amendment to the Parking Space Lease Agreement between Murdock Wausau Limited Properties ("Murdock") and the City of Wausau ("Lease") for parking spaces at the McClellan Parking Ramp and Jefferson Street Parking Ramp. The amendment as approved by the Finance Committee, provided that the monthly rental rate of \$27 per space would be reviewed after the first year of the five (5) year term. Murdock, however, had requested that the monthly rental rate of \$27 per space be fixed for the entire five (5) year term.
- On August 13, 2014, the Common Council approved the amendment to the Lease as recommended by the Finance Committee.
- Murdock has requested the City reconsider authorizing a fixed monthly rental rate of \$27 per space for the entire five (5) year term as critical to its financing arrangements for nearby property which it owns.
- Murdock has also requested that in the event the spaces at the McClellan Parking Ramp become unavailable during the five (5) year term of the Lease, that up to 300 such spaces be relocated within 100 yards of the McClellan Parking Ramp. The Finance Department has indicated that the 300 spaces could be accommodated within 100 yards in such an event. A copy of a map showing the area within 100 yards of the McClellan Parking Ramp is attached.
- The attached Lease amendment includes the Lease changes as requested by Murdock for reconsideration by the Finance Committee and the Common Council.



**Legend**

 100 Yard Buffer

**NOTES:**  
 1. DUPLICATION OF THIS MAP IS PROHIBITED WITHOUT THE WRITTEN CONSENT OF THE CITY OF WAUSAU ENGINEERING DEPT.  
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 4. AERIAL PHOTO TAKEN MARCH 29, 2012.

# McClellan Street Parking Ramp

## City of Wausau

